

**32<sup>ND</sup>  
ANNUAL REPORT  
2020-21**



**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Mr. Raj Kumar Rai : Managing Director [DIN: 00009207]  
Mr. N.Krishnaiah : Non- Executive Director [DIN:07279009]  
Dr. A.Ramakrishnaiah : Independent Director [DIN: 01641977]  
Mr. N.V.Narender : Director [DIN:01641941] (Upto 13.02.2021)  
Ms. G.S.V.Divya Jyothi : Independent Director [DIN: 07240964](Upto 13.02.2021)

**CHIEF FINANCIAL OFFICER** : Mr.G Pradeep Kumar

### REGISTERED OFFICE:

Shed No.22, Plot No.84, Phase – 1  
IDA Cherlapally Hyderabad Rangareddi TG 500051 IN  
Email: venmaxdrugs@gmail.com Website: venmaxdrugs.com

**CORPORATE IDENTITY NUMBER:** L24230TG1988PLC009102

### STATUTORY AUDITORS:

NSVR & Associates LLP, Chartered Accountants, Hyderabad

### SECRETARIAL AUDITORS:

M.Srinivasarao & Associates, Company Secretaries, Hyderabad

### AUDIT COMMITTEE:

Dr. A. Ramakrishnaiah - Chairman  
Mr. Rajkumar Rai - Member  
Ms. G.S.V.Divya Jyothi - Member (Upto 13.02.2021)

### NOMINATION & REMUNERATION COMMITTEE:

Dr. A. Ramakrishnaiah - Chairman  
Mr. N. Krishnaiah - Member  
Ms. G.S.V.Divya Jyothi - Member (Upto 13.02.2021)

### STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms.G.S.V.Divya Jyothi - Chairman (Upto 13.02.2021)  
Dr. A. Ramakrishnaiah - Member  
Mr. N.V Narender - Member

### REGISTRAR & SHARE TRANSFER AGENTS:

CIL Securities Ltd.  
214, Raghavaratna Towers, Chirag Ali Lane, Hyderabad 500001.  
Ph.No. (040)23202465/66612093, Fax. (040) 23203028

LISTED AT : BSE Limited  
ISIN : INE154G01022  
WEBSITE : www.venmaxdrugs.com  
INVESTOR E-MAIL ID : venmaxdrugs@gmail.com

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## NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of Venmax Drugs and Pharmaceuticals Limited will be held on Friday, 30<sup>th</sup> day of September, 2022 at 2.30 P.M. at J.S. Krishnamurthy Hall, FATPCCI Building, Red Hills, Hyderabad – 500004 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr.N.Krishnaiah (DIN: 07279009), who retires by rotation and being eligible, offers himself for re-appointment.

**By Order Of The Board**  
**For VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

**Date : 05.09.2022**  
**Place: Hyderabad**

**Sd/-**  
**Raj Kumar Rai**  
**Managing Director**  
**DIN: 00009207**

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No.MGT.11 annexed herewith.

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2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 24<sup>th</sup> Day of September, 2022 to Friday, the 30<sup>th</sup> Day of September, 2022 (Both days inclusive).
  3. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
  4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
  5. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
  6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
  7. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s.CIL Securities Ltd)
  8. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
  9. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
  10. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to CIL Securities Limited., Share Transfer Agents of the Company for their doing the needful.
  11. Since securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, members holding shares in physical form are requested to get their shares dematerialized at the earliest.
  12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
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13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
  14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
  15. Electronic copy of the Annual Report for 2020-2021 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2020-2021 is being sent in the permitted mode on request by member.
  16. Members may also note that the Notice of the 32<sup>nd</sup> Annual General Meeting and the Annual Report for 2020-2021 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: venmaxdrugs@gmail.com.
  17. **Voting through electronic means:**
    - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency with M/s. Central Depository Services (India) Limited (CDSL) Only those Members, whose names appear in Register of Members / List of beneficial owners as on Friday, the 23<sup>rd</sup> day of September, 2022 ("Cut-off Date") shall be entitled to vote (through remote e-voting and during AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a member as on the Cut-off Date should treat this Notice for information only.

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- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday the 27<sup>th</sup> September, 2022 at 9:00 am and ends on Thursday the 29<sup>th</sup> September, 2022 at 5:00 pm. During this period members' of the Company, holding shares either in physical form or in the dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The instructions for shareholders voting electronically are as under:
- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - ii. Click on Shareholders
  - iii. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - d. Next enter the Image Verification as displayed and Click on Login.
    - e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - f. If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>

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Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- iv. After entering these details appropriately, click on “SUBMIT” tab.
  - v. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - vii. Click on the EVSN for the relevant <Venmax Drugs and Pharmaceuticals Limited> on which you choose to vote.
  - viii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - ix. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - x. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - xii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - xiii. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
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- xiv. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xv. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xvi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
18. M/s.M.Srinivasarao & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process.
19. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by any other Director within two working days from the conclusion of the AGM at the Registered Office of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e., September 30, 2022.
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20. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.venmaxdrugs.com](http://www.venmaxdrugs.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
21. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.
22. Brief profile of Mr.N. Krishnaiah, Director proposed to be reappointed along with the name of the Companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and other details as required under Secretarial Standard on General Meetings and Regulation 36(3) of the SEBI Listing Regulations are also annexed to this notice.
23. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/ CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
24. The registers i.e., Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which directors are interested maintained under Section 170 and Section 189 of the Act respectively will be available for inspection by members during the AGM. All documents referred to in this Notice and the Explanatory Statement annexed hereto will also be available for inspection without any fee by the members from the date of circulation of this notice up to the date of AGM, i.e., September 5, 2022 to September 30, 2022. Members seeking to inspect such documents can send an email to [venmaxdrugs@gmail.com](mailto:venmaxdrugs@gmail.com).
25. As per Regulation 40 of the Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agents, CIL Securities Limited, Hyderabad for assistance in this regard.
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26. Members are requested to register or intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants with whom they are maintaining their demat accounts in case the shares are held by them in electronic form/demat form and to CIL Securities Limited in case the shares are held by them in physical form.
27. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar. SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.

**By Order Of the Board  
For Venmax Drugs and Pharmaceuticals Limited**

**Place: Hyderabad  
Date : 05.09.2022**

**Sd/-  
Raj Kumar Rai  
Managing Director  
DIN: 00009207**

Disclosure under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Director seeking re-appointment is given as under:-

<b>Name of the Director</b>	N. Krishnaiah
<b>Director Identification No.</b>	07279009
<b>Date of Birth</b>	10.04.1988
<b>Date of appointment</b>	03.09.2015
<b>Qualification</b>	MBA
<b>Relationship between directors inter-se</b>	--
<b>Nature of expertise in specific functions area</b>	Administration
<b>Directorship in other Listed Entities</b>	--
<b>Membership of Committees of other listed Companies</b>	--
<b>Shareholding in the Company</b>	--

**By Order Of the Board  
For Venmax Drugs and Pharmaceuticals Limited**

**Sd/-  
Raj Kumar Rai  
Managing Director  
DIN: 00009207**

**Place: Hyderabad  
Date : 05.09.2022**

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## DIRECTOR'S REPORT

Dear members,

The Directors have pleasure in presenting before you the 32<sup>nd</sup> Director's Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

The performance during the period ended 31<sup>st</sup> March, 2021 has been as under:

Particulars	(In Lakhs)	
	2020-2021	2019-2020
Total Income	34.93	47.30
Total Expenditure	51.11	74.03
Profit (Loss) Before Tax	(16.17)	(26.73)
Provision for Tax	(0.06)	(0.63)
Profit (Loss) after Tax	(16.24)	(27.36)
Other Comprehensive Income, Net of tax	--	--
Total Comprehensive Income	(16.24)	(27.36)
Balance Carried to Balance Sheet	(16.24)	(27.36)
Basic and Diluted Earnings	(0.31)	(0.52)

### REVIEW OF OPERATIONS:

The total revenue of the Company for the financial year under review was Rs.34.93lakhs as against Rs.47.30lakhs for the previous financial year. The company has incurred a net loss of Rs.16.34lakhs for the financial year 2020-21 as against the net loss of Rs.27.36lakhs for the previous year.

### 2. IMPACT OF COVID 19:

Due to COVID -19, the Business is badly affected due to absence of staff at Pharma Outlets. The Turnovers were reduced and subsequently losses were accumulated.

### 3. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March, 2021 and the date of Board's Report.

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**4. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

**5. DIVIDEND:**

The Directors have not recommended dividend for the year 2020-2021.

**6. RESERVES:**

The Company has not carried any amount to the reserves.

**7. SHARE CAPITAL:**

The Authorised share capital of the Company stands at Rs.8,00,00,000/- divided into 80,00,000 equity shares of Rs.10/- each. The paid up share capital of the Company stands at Rs.5,23,89,300 /- divided into 52,38,930 equity shares of Rs.10/- each.

**8. BOARD MEETINGS:**

During the year, the Board of Directors duly met 6 (Six) times on 29.06.2020, 07.09.2020, 11.11.2020, 05.12.2020, 13.02.2021 and 29.03.2021 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

**9. INVESTOR EDUCATION AND PROVIDENT FUND:**

The Company has not transferred any amount to Investor Education and Provident Fund.

**10. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Dr.A.Ramakrishnaiah and Ms.G.S.V.Divya Jyothi Independent Directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report is appended to this Report.

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## **12. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS / CEO/ CFO AND KEY MANAGERIAL PERSONNEL:**

- Mr.N.Krishnaiah is liable to retire by rotation, being eligible, offers himself for re-appointment.
- No Directors or Key Managerial Personnel are appointed. Ms.G.S.V.Divya Jyothi and Mr. N V Narender have resigned during the year.

## **13. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairman is further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices. The policy relating to familiarization programmes to Independent Directors is available on the website of the Company.

## **14. COMMITTEES:**

### **I. AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee include a review of the following:

### **A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.

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- Reviewing with management the annual financial statements before submission to the Board, focusing on:
    - a. Any changes in accounting policies and practices;
    - b. Qualification in draft audit report;
    - c. Significant adjustments arising out of audit;
    - d. The going concern concept;
    - e. Compliance with accounting standards;
    - f. Compliance with stock exchange and legal requirements concerning financial statements and
    - g. Any related party transactions
  - Reviewing the company's financial and risk management's policies.
  - Disclosure of contingent liabilities.
  - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - Reviewing compliances as regards the Company's Whistle Blower Policy.
  - Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The previous Annual General Meeting of the Company was held on 28.12.2020 and Chairman of the Audit Committee, attended previous AGM.

The Company has complied with all the requirements of the provisions of SEBI (LODR) Regulations, 2015 relating to the composition of the Audit Committee.

During the financial year 2020-21, (4) four meetings of the Audit Committee were held on 29.06.2020, 07.09.2020, 11.11.2020 and 13.02.2021.

## B. COMPOSITION OF THE COMMITTEE

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No.of meetings attended	No. of Meetings held
Dr. A.Ramakrishnaiah	Chairman	NED(I)	4	4
Ms. N Krishnaiah	Member	NED	4	4
Mr. Rajkumar Rai	Member	MD	4	4

**NED (I):** Non- Executive Independent Director

**MD:** Managing Director

## II. NOMINATION AND REMUNERATION COMMITTEE:

### A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.



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- To formulate the criteria for evaluation of Independent Directors and the Board.
  - To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
  - Recommend to the board, all remuneration, in whatever form, payable to senior management.

## **B. COMPOSITION OF THE COMMITTEE**

During the financial year 2020-21, (1) one meeting of the Nomination and Remuneration Committee were held on 13.02.2021:

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No.of meeting attended</b>	<b>No of Meetings held</b>
Dr. A. Ramakrishnaiah	Chairman	NED(I)	1	1
Mr. N Krishnaiah	Member	NED	1	1
Mr. Rajkumar Rai	Member	MD	1	1

**NED (I):** Non- Executive Independent Director

## **C. REMUNERATION POLICY:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

## **POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE**

### **1. Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

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## 2. Terms and References:

2.1 “Director” means a director appointed to the Board of a Company.

2.2 “Nomination and Remuneration Committee” means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

2.3 “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 read with Regulation 16 (1) (b) of SEBI LODR Regulations, 2015)

## 3. Policy:

### Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company’s operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company’s business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every

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- financial year and thereafter whenever there is a change in the disclosures already made;
  - Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### 3.2 Criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re- assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

### 3.3 Other directorships/ committee memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be

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included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "key managerial personnel" means

- (i) The Chief Executive Office or the managing director or the manager;
- (ii) The company secretary;
- (iii) The whole-time director;
- (iv) The chief finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and Regulation 19 of SEBI LODR Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel.

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

3.1.2 The Board on the recommendation of the (NR) committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retrial benefits
- (v) Annual performance Bonus

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3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

### 3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof.

### 3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## **D. MECHANISM FOR EVALUATION OF THE BOARD**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

**A. COMPOSITION OF THE COMMITTEE:** The Details of composition of the Committee are given:

Name	Designation	Category	No.of meeting attended	No of Meetings held
Dr. A. Ramakrishnaiah	Chairman	NED(I)	1	1
Mr.Raj Kumar Rai	Member	ED	1	1
Mr. N Krishnaiah	Member	NED	1	1

NED (I): Non- Executive Independent Director

ED: Executive Director

### B. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Raj Kumar Rai, Managing Director is the compliance officer of the Company.

### C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2020-21:

During the financial year 2020-21, no complaints were received from the shareholders.

### D. POWERS:

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non receipt of Annual Reports, nonreceipt of declared dividend and other allied complaints.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s).

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- Consolidate and sub-division of share certificates etc.
  - To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form. The Company has designated an exclusive e-mail ID called [venmaxdrugs@gmail.com](mailto:venmaxdrugs@gmail.com) for complaints/grievances.

#### **15. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The same has been placed on the website of the Company.

#### **16. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a going concern basis; and
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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**17. INFORMATION ABOUT THE FINANCIAL PERFORMANCE FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:**

The Company does not have any Subsidiary, Associate or Joint venture

**18. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE IT SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:**

During the period under review, there are no companies who ceased or became the subsidiaries, joint ventures or associate companies.

**19. EXTRACT OF ANNUAL RETURN:**

As required by Section 92(3) of the Act read with Section 134(3)(a) of the Act the Annual Return in Form MGT-7 is placed at the company website <https://www.venmaxdrugs.com/>

**20. STATUTORY AUDITORS:**

The members of the company in accordance with section 139 of the Companies Act, 2013 had passed a resolution for appointment of M/s. NSVR & Associates LLP as Statutory Auditors of the company for a period of 5 years in the AGM held on 30.09.2019 to hold office up to the conclusion of 35<sup>th</sup> Annual General Meeting of the company.

**21. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There have been no frauds reported by the auditor's u/s 143(12).

**22. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of managerial personnel) Rules 2014, the Board had appointed M/s.M.Srinivasarao & Associates, Company Secretaries to undertake the secretarial audit of the Company for the year 2020-21. The report of the Secretarial Auditor is enclosed as Annexure and forms part of this report.

**23. QUALIFICATIONS IN AUDIT REPORTS:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made



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**(a) STATUTORY AUDITORS REPORT:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2021 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in the coming years.

**(b) SECRETARIAL AUDIT REPORT:**

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2021 on the Compliances according to the provisions of section 204 of the Companies Act 2013, and the same does not have any reservation, qualifications or adverse remarks except the following:

- The Company have functional website but not updated as per regulation.
- The Company does not have a Company Secretary
- Non-compliance of the advertisements in newspapers related to Financial results and General Meetings.
- The company has not filed the forms AOC – 4 (Financial Statements), MGT – 7 (Annual Return) and Form ADT – 1 and other applicable forms with Registrar of Companies, Hyderabad, MCA.

**Reply:**

The Company has noted all the observations and is in the process of regularising the non-compliances.

**24.DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:****A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:**

Your Company has not undertaken any research and development activity for any manufacturing activity nor was any specific technology obtained from any external sources which needs to be absorbed or adapted.

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**C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings: NIL Foreign Exchange Outgo: Nil

**25. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:**

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review. Further, there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

**26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the regulators /courts that would impact the going concern status of the Company and its future operations.

**27. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly. During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

**28. INSURANCE:**

The Company does not have any major fixed assets and accordingly it is not required to take any insurance policy.

**29. RISK MANAGEMENT POLICY:**

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

**30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given loans, Guarantees or made any investments during the year under review attracting the provisions of Section 186 of Companies Act, 2013.

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### **31. CREDIT & GUARANTEE FACILITIES:**

The Company has not availed facilities of Credit and Guarantee during the year.

### **32. CORPORATE SOCIAL RESPONSIBILITY:**

Since the Company does not have the net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more, or a net profit of Rs. 5 Crores or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

### **33. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered during the financial year were disclosed in form AOC-2 and is attached as Annexure which forms part of Annual report. There were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature.

Transactions with the Related Parties as required under Indian Accounting Standard- 24 are disclosed in Note of the standalone financial statements forming part of this Annual Report.

The Company has not entered into any contracts/arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 except certain arm length transaction during the year. Accordingly, no disclosure or reporting is required covered under this Section.

### **34. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

### **35. POLICIES:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website ([www.venmaxdrugs.com](http://www.venmaxdrugs.com)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

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**36. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure III to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report.

During the year NONE of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**37. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr. Raj Kumar Rai, Managing Director of the Company to the median remuneration of the employees is 4.6875:1.

**38. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Since the paid-up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance as mentioned in SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 are not applicable.

**39. SECRETARIAL STANDARDS:**

The Company is in compliance with the applicable secretarial standards.

**40. INDIAN ACCOUNTING STANDARDS:**

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company has adopted the Indian Accounting Standards with effect from 01st April, 2017.

Accordingly, the Company has restated and reported the financials for the previous year as per Indian Accounting Standards.

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#### **41. NON- EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

#### **42. CEO/ CFO CERTIFICATION:**

The Managing Director and CFO certification of the financial statements for the year 2020-21 is annexed in this Annual Report.

#### **43. MECHANISM FOR EVALUATION OF THE BOARD:**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given evaluation forms for the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

The Directors were requested to give following ratings for each criteria:

- 1. fair;
- 2. satisfactory; and
- 3. very satisfactory.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

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#### **44. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and Amended Regulations 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website ([www.venmaxdrugs.com](http://www.venmaxdrugs.com))

#### **45. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace. (Prevention, Prohibition and Redressal) Act, 2013.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil
- No. of complaints pending at the end of the year: Nil

#### **46. INTERNAL AUDIT:**

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

#### **47. ANNUAL SECRETARIAL COMPLIANCE REPORT:**

Annual Secretarial Compliance Report pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018 read with SEBI Circular dated 08.02.2019 and BSE circular dated 09.05.2019 and 14.05.2019 is not applicable to the Company as it does not attract the provisions of Regulation 15(2) of SEBI (LODR) Regulations, 2015 on Corporate Governance since paid up equity share capital as

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on 31.03.2021 is not exceeding Rs. 10 Crores and the net worth of the Company has not exceeded Rs.25 Crores on the last day of previous financial year (i.e.,31.03.2021) or during the financial year (2020-21). In view of the above, our Company is not required to submit Annual Secretarial Compliance Report for the year ended 31.03.2021 to the Stock Exchange/s pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

#### **48.ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, Banks, statutory authorities and other financial institutions and shareholders of the Company, for their continued support for the growth of the Company.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

**Place: Hyderabad**  
**Date: 05.09.2022**

**Sd/-**  
**Raj Kumar Rai**  
**Managing Director**  
**DIN: 00009207**

**Sd/-**  
**N Krishnaiah**  
**Director**  
**DIN: 07279009**

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## AOC-2

### **Particulars of contracts / arrangements made with related parties [Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL  
There are no contracts or arrangements or transactions not at arm's length basis.
  - a. Name(s) of the related party and nature of relationship
  - b. Nature of contracts/arrangements/transactions
  - c. Duration of the contracts / arrangements/transactions
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any
  - e. Justification for entering into such contracts or arrangements or transactions
  - f. Date(s) of approval by the Board
  - g. Amount paid as advances, if any:
  - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of contracts or arrangement or transactions at arm's length basis: NIL
  - a. Name(s) of the related party and nature of relationship
  - b. Nature of contracts/arrangements/transactions
  - c. Duration of the contracts / arrangements/transactions
  - d. Salient terms of the contracts or arrangements or transactions including the value, if any:



e. Date(s) of approval by the Board, if any:

f. Amount paid as advances, if any:

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

**Sd/-**

**Raj Kumar Rai**  
**Managing Director**  
**DIN: 00009207**

**Sd/-**

**N Krishnaiah**  
**Director**  
**DIN: 07279009**

**Place: Hyderabad**  
**Date: 05.09.2022**

**CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2020-21**

The shareholders,

Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2020-21 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Venmax Drugs and Pharmaceuticals Limited are committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

We hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2020-21.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

**Sd/-  
Raj Kumar Rai  
Managing Director  
DIN: 00009207**

**Sd/-  
N Krishnaiah  
Director  
DIN: 07279009**

**Place: Hyderabad  
Date: 05.09.2022**

## **CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY**

To,  
The Board of Directors

Venmax Drugs and Pharmaceuticals Limited Dear Sirs, as required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2021 and to the best of our knowledge and belief;
  - a) These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b) These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and

4. That we have informed the auditors and the audit committee of:

- a) Significant changes in the internal control during the year;
- b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

**FOR VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

**Sd/-**  
**Raj Kumar Rai**  
**Managing Director**  
**DIN: 00009207**

**Sd/-**  
**G Pradeep Kumar**  
**CFO**

**Place: Hyderabad**  
**Date: 05.09.2022**

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**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED  
SUSPENSE ACCOUNT**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

<b>Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.</b>	<b>No. of shareholders who approached the company for transfer of shares from suspense account during the year.</b>	<b>No. of shareholders to whom shares were transferred from suspense account during the year.</b>	<b>Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.</b>
NIL	NIL	NIL	NIL

*\*\* Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.*

Note: The Company has never declared dividends since its inception and therefore there is no amount lying in unpaid/unclaimed dividend account.

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Company's operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company during the period 2020-21, and outlook for the current financial year. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report. This report is an integral part of the Directors' Report.

### **Indian Economy and Consumer sector overview**

Indian economy witnessed one of the toughest years in 2020. As per MOSPI (The Ministry of Statistics and Programme Implementation) release of First Advance Estimates, GDP for the financial year 2020-21 is likely to contract by 7.7%. In the context of recent history, the 7.7% contraction in GDP is a sharp one considering that India has registered an average annual GDP growth rate of 6.8% since the start of economic liberalization in 1992-93.

After coping with the first wave of the pandemic, the economy slowed down, some signs of recovery is expected during the next financial year. The GDP forecast for financial year 2021-22 remains optimistic, ranging from 7.5% (by the UN) to as high as 11% (Goldman Sachs, Nomura, J P Morgan).

### **Year 2020-21 for the Company:**

The year 2020-21 has been very eventful and challenging with the pandemic induced setbacks impacting sales.

### **Profits and margins:**

The total revenue of the Company for the financial year under review was Rs.34.93Lakhs as against Rs.47.30Lakhs for the previous financial year. The company has incurred a net loss of Rs.16.34lakhs for the financial year 2020-21 as against the net loss of Rs.27.36lakhs for the previous year.

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**COVID-19 Second wave – Industry growth risk:**

The second wave of COVID-19 has hit India with a very sharp rise in cases and state specific lockdowns and curfews imposed resulted in poor performance in working results of Venmax Drugs.

**Risk management and Internal Control Systems:**

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of operations in general and financial controls in particular

**Human resources:**

In this testing times of the current ongoing pandemic, apart from the traditional responsibilities of the HR department, such as ensuring equitable benefits and compensation, overseeing employee engagement and retention, enhancing diversity, handling workplace issues, the Company has remained very committed to safety of all its employees and partners.

FORM MR-3  
SECRETARIAL AUDIT REPORT  
for the financial year ended 31<sup>ST</sup> March, 2021

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,  
The Members  
Venmax Drugs and Pharmaceuticals Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Venmax Drugs and Pharmaceuticals Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and Authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2020 and ended 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> of March, 2021 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;



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2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2020-21:-
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and eventbased disclosures, wherever applicable.**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure.**
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**
  - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019; **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has CIL Securities Limited as its Share Transfer Agent.**
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
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ix. Other applicable laws include the following:

- a. Drugs and Cosmetics Act, 1940 and amendments thereto from time to time.
- b. Drugs and Cosmetics Rules, 1945
- c. Pharmacy Act, 1948
- d. Narcotic Drugs and Psychotropic Substances Act, 1985
- e. Patents Act, 1970
- f. Essential Commodities Act, 1995
- g. National Pharmaceutical Policy, 2012
- h. Labour Laws (wages, bonus, provident fund, gratuity etc)
- i. Environment Protection Act, 1986
- j. The Payment of Gratuity Act, 1972
- k. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- l. Employees State Insurance Act, 1948

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:

- a. During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 meeting of Nomination and Remuneration committee, 1 meeting of the Stakeholders Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
  - i. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

- ii. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- The Company has a CFO Mr.G Pradeep Kumar.
- The Company has internal auditors namely M/s.Kavadapu & Associates, Chartered Accountants, Hyderabad.
- The company have a functional website but not updated as per applicable regulations.
- The company has not filed the forms AOC – 4 (Financial Statements), MGT – 7 (Annual Return) and Form ADT – 1 and other applicable forms with Registrar of Companies, Hyderabad, MCA.
- The Company does not have a Company Secretary as required under the Provisions of section 203 of the Companies Act, 2013 and Regulation 6 of the SEBI (LODR) Regulations, 2015.
- Non-compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- BSE Limited has suspended trading of shares of the company due to penal reasons. The company has submitted all the information to resolve/ revoke the suspension.
- The Board of Directors of the Company is duly constituted but there is no proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For M.SRINIVASARAO & ASSOCIATES  
Company Secretaries

Sd/-  
CS Srinivasarao Mandarapu  
Proprietor  
M. No.59962, CP: 22557  
UDIN: A059962D000929930

Date : 05.09.2022  
Place: Hyderabad

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## Annexure A

To,  
The Members of  
Venmax Drugs and Pharmaceuticals Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For M.SRINIVASARAO & ASSOCIATES  
Company Secretaries

Sd/-  
CS Srinivasarao Mandarapu  
Proprietor  
M. No.59962, CP: 22557  
UDIN: A059962D000929930

Date: 05.09.2022  
Place: Hyderabad

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Venmax Drugs and Pharmaceuticals Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Venmax Drugs and Pharmaceuticals Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss (including Other Comprehensive Income), the cash flow Statement and the statement of changes in equity and for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Material Uncertainty Related to Going Concern of the Entity

(a) We draw attention to the Note No.2.21 in the Notes to the financial statements that discloses events and conditions, management assessment and future action plans about the "Going Concern Status of the company."

(b) As stated in the Note No.2.21 in the Notes to the financial statements, the company has been continuously incurring losses and net worth has been completely eroded and the present operations are financed by way loans from the directors, in our opinion these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern and that our opinion is not modified in respect of the matter.

#### Emphasis of Matter

We draw attention to Note 2.22 of the financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Matter was addressed in Audit
Borrowings and trade payables of the company. The borrowings and trade payables of the company constitute a major portion of the liabilities, non compliance of terms and conditions of borrowings and trade payable may lead to significant risk in operations of the company.	<p>Our audit procedures include review the terms and conditions of the agreements, review of the underlying supporting documents to ensure the compliance of terms of agreements, confirmation of account balances, review of the internal controls such authorization controls, timely processing of transactions and recording the there and their treatment in the financial statements etc.</p> <p>Our audit procedures indicate that there were not material misstatement in these matters in the financial reports.</p>

#### Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's



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Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.



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## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- 
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of the section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements and company does not have any pending litigation.
- ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For NSVR & ASSOCIATES LLP  
Chartered Accountants  
FRN: 008801S/S200060

Sd/-  
Suresh Gannamani  
Partner  
ICAI Membership No: 226870  
UDIN: 22226870AMSDPR9674  
Place: Hyderabad  
Date: 18/05/2022.

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## Annexure - A to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Venmax Drugs and Pharmaceuticals Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For NSVR & ASSOCIATES LLP

Chartered Accountants

FRN: 008801S/S200060

Sd/-

Suresh Gannamani

Partner

ICAI Membership No: 226870

UDIN: 22226870AMSDPR9674

Place: Hyderabad

Date: 18/05/2022.

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## Annexure – B to the Independent Auditors' Report

The Annexure referred paragraph 1 of Auditor's Responsibility to Financial Statements to in our Independent Auditors' Report to the members of the Venmax Drugs and Pharmaceuticals Limited on the Financial Statements for the period ended 31st March 2021, we report that:

1.1 The Company has maintained proper records showing full particulars, including the Quantitative details and the situation of fixed assets.

1.2 As explained to us, the fixed assets have been physically verified by the Management in a periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

1.3 According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property are held in the name of company.

2.1 Since, the company doesn't have any inventory. Hence, this clause is not applicable to the company.

3.1 The Company has not granted any loans, secured or unsecured during the period. Thus Paragraph 3 (iii) of the order is not applicable to the company.

4.1 In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments or provided securities to companies and other parties listed under section 185 and 186 of the Act.

5.1 The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and rules framed there under.

6.1 As per information & explanation given by the management, the central government of India has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the company. Accordingly, paragraph 3(vi) of the order is not applicable to the company.

7.1 According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities have generally been regularly deposited during the year by the Company with the appropriate authorities.



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According to the information and explanations given to us no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

7.2 According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or Goods and Services Tax or duty of customs or duty of excise or value added tax which have not been deposited by the company on account of dispute.

8.1 According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from financial institutions or Government and there are no dues to debenture holders during the year.

9.1 In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been used by the Company during the year for the purpose for which they were raised.

10.1 To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11.1 According to information and explanation given to us and based on our examination of records of the Company, the Company has paid /provided for managerial remuneration with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

12.1 In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13.1 According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14.1 According to the information and explanations given to us and based on our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

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15.1 According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.

16.1 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NSVR & ASSOCIATES LLP

Chartered Accountants

FRN: 008801S/S200060

Sd/-

Suresh Gannamani

Partner

ICAI Membership No: 226870

UDIN: 22226870AMSDPR9674

Place: Hyderabad

Date: 18/05/2022.



Venmax Drugs and Pharmaceuticals Ltd Balance Sheet as at March, 2021			
Particulars	Note No	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
Non-current Assets			
(a)Property, Plant and Equipment	3	6,21,062	6,95,063
(b)Investment Property		-	-
(c) Intangible Assets	3(i)	2,81,239	3,10,672
(d)Financial Assets			
(i)Investments	4(i)	-	-
(ii)Loans and Advances	5	-	-
(e)Deferred Tax Assets (Net)		-	-
(f)Other Non-current Assets		-	-
<b>Total Non-current Assets</b>		<b>9,02,302</b>	<b>10,05,735</b>
Current Assets			
(a)Inventories	6	-	21,57,955
(b)Financial Assets			
(i)Investments	4(ii)	-	-
(ii)Trade Receivables	7	3,62,089	3,79,810
(iii)Cash and Cash Equivalents	8	7,52,895	13,480
(iv)Bank Balances other than above (iii)	9	-	-
(v)Other Financial Assets	10	-	-
(c)Current Tax Assets (Net)	22	-	-
(d)Other Current Assets	11	10,58,173	10,02,236
<b>Total Current Assets</b>		<b>21,73,157</b>	<b>35,53,482</b>
<b>Total Assets</b>		<b>30,75,459</b>	<b>45,59,217</b>
<b>Equity and Liabilities</b>			
Equity			
(a)Equity Share Capital	12	5,23,89,300	5,23,89,300
(b)Other Equity	13	(8,02,52,262)	(7,86,27,634)
<b>Total Equity</b>		<b>(2,78,62,962)</b>	<b>(2,62,38,334)</b>
Liabilities			
Non-current Liabilities			
(a)Financial Liabilities			
(i)Long-term borrowings	14	-	-
(b)Provisions	15	-	-
(c)Deferred Tax Liabilities (Net)	16	42,288	35,643
<b>Total Non-current Liabilities</b>		<b>42,288</b>	<b>35,643</b>
Current liabilities			
(a)Financial Liabilities			
(i)Short-term borrowings	17	2,32,90,024	2,51,89,367
(ii)Trade payables - total dues of:			
small and micro enterprises		-	-
others than small and micro enterprises	18	46,47,449	40,21,370
(iii)Other financial liabilities	19	19,51,458	13,10,658
(b)Other current liabilities	20	5,77,513	2,40,513
(c)Provisions	21	4,30,600	-
(d)Current Tax Liability (Net)	22	-	-
<b>Total Current Liabilities</b>		<b>3,08,96,134</b>	<b>3,07,61,908</b>
<b>Total Liabilities</b>		<b>30,75,459</b>	<b>45,59,217</b>
Corporate Information	1		
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the Ind AS financial statements			
This is the Balance Sheet referred to in our report of even date			
As per our report of even date		For and on behalf of the Board of Directors of	
For NSVR & ASSOCIATES LLP		Venmax Drugs and Pharmaceuticals Limited	
FRN: 008801S/S200060			
Sd/-		Sd/-	
Suresh Gannamani		Raj Kumar Rai	
Partner		Managing Director	
Membership No: 226870		DIN: 00009207	
UDIN: 22226870AMSDPR9674		Sd/-	
Place: Hyderabad		N Krishnataiah	
Date: 12/05/2022		Director	
		DIN: 07279009	
		Sd/-	
		G Pradeep Kumar	
		CFO	

Venmax Drugs and Pharmaceuticals Ltd			
Statement of Profit and loss for the period ended March 31, 2021			
Particulars	Note No	For the period ended March 31, 2021	For the period ended March 31, 2020
<b>Revenue</b>			
Revenue from operations	23	16,78,764	47,21,988
Other income	24	18,14,343	8,043
<b>Total Revenue</b>		<b>34,93,107</b>	<b>47,30,031</b>
<b>Expenses</b>			
Raw Material Consumed	25	7,85,797	42,77,478
Changes in inventories of Finished Goods	26	21,57,955	(11,03,885)
Employee benefits	27	6,26,500	21,64,502
Finance cost	28	-	8,717
Depreciation	3	1,03,433	1,29,167
Other expenses	29	14,37,405	19,26,684
<b>Total expenses</b>		<b>51,11,090</b>	<b>74,02,663</b>
<b>Profit before tax</b>		<b>(16,17,983)</b>	<b>(26,72,633)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		6,645	63,308
<b>Tax expense</b>		<b>6,645</b>	<b>63,308</b>
<b>Profit for the year</b>		<b>(16,24,628)</b>	<b>(27,35,940)</b>
<b>Other comprehensive income</b>			
a) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(16,24,628)</b>	<b>(27,35,940)</b>
<b>Earnings per share:</b>			
Basic earnings per share of Rs.10/- each		(0.31)	(0.52)
Diluted earnings per share of Rs.10/- each		(0.31)	(0.52)
<b>Corporate Information</b>	1		
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the Ind AS financial statements			
This is the Balance Sheet referred to in our report of even date			
As per our report of even date		For and on behalf of the Board of Directors of	
For NSVR & ASSOCIATES LLP		Venmax Drugs and Pharmaceuticals Limited	
FRN: 008801S/5200060			
Sd/-		Sd/-	
Suresh Gannamani		Raj Kumar Rai	
Partner		Managing Director	
Membership No: 226870		DIN: 00009207	
UDIN: 22226870AMSDPR9674			
		Sd/-	
		N Krishnaiah	
		Director	
		DIN: 07279009	
Place: Hyderabad		Sd/-	
Date: 12/05/2023		G Pradeep Kumar	
		CFO	

**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**  
Cash Flow statement for the period ended 31 March 2021

Particulars	For the year ended 31 March, 2021	For the Period ended 31 March , 2020
<b>A. Cash Flow from Operating Activities:</b>		
Profit before tax for the year	(16,17,983)	(26,72,633)
Adjustments for:		
Depreciation	1,03,433	1,29,167
Finance Charges	-	-
<b>Operating Profit before working capital changes</b>	<b>(15,14,550)</b>	<b>(25,43,466)</b>
Adjustments for:		
(Increase) / Decrease in Inventory	21,57,955	(11,03,885)
(Increase) / Decrease in Trade receivables	17,721	(3,57,638)
(Increase) / Decrease in Other Current assets	(55,937)	51,197
(Decrease) / Increase in Trade payables	6,26,079	9,06,479
Increase / (Decrease in provisions)	4,29,690	1,05,001
(Decrease) / Increase in Other Current liabilities	3,37,000	-
(Decrease) / Increase in Other Financial liabilities	6,40,798	1,47,500
<b>Cash Generated from Operations</b>	<b>26,38,755</b>	<b>(27,94,812)</b>
Taxes Paid (Net)	-	-
<b>Net Cash (used) / from Operating Activities (A)</b>	<b>26,38,755</b>	<b>(27,94,812)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Interest Received	-	-
<b>Net Cash from / (used) Investing Activities (B)</b>	<b>-</b>	<b>-</b>
<b>C. Cash Flow from Financing Activities:</b>		
Interest Paid	-	-
Receipt / (Repayment) of borrowings	(18,99,341)	27,69,846
<b>Net Cash from / (used) Financing Activities (C)</b>	<b>(18,99,341)</b>	<b>27,69,846</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>7,39,414</b>	<b>(24,966)</b>
Cash and Cash equivalents at beginning of the year	13,480	38,446
Cash and Cash equivalents at end of the year	7,52,895	13,480
<b>1) Cash and Cash equivalents includes:</b>		
	<b>For the year ended 31 March, 2021</b>	<b>For the Period ended 31 March , 2020</b>
Cash on hand	7,51,911	498
Cash Equivalents		
- Current accounts	984	12,982
<b>Total</b>	<b>7,52,895</b>	<b>13,480</b>

As per our report of even date  
For NSVR & ASSOCIATES LLP  
FRN: 008801S/S200060

Sd/-  
Suresh Gannamani  
Partner  
Membership No: 226870  
UDIN: 22226870.AMSDPR9674

Place: Hyderabad  
Date: 12/05/2022

For and on behalf of the Board of Directors of  
Venmax Drugs and Pharmaceuticals Limited

Sd/-  
Raj Kumar Rai  
Managing Director  
DIN: 00009207

Sd/- Sd/-  
N Krishnalah G Pradeep Kumar  
Director CFO  
DIN: 07279009

**Venmax Drugs and Pharmaceuticals Ltd**
**Statement of Changes in Equity**
**(a) Equity Share Capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised:</b>				
Equity Shares of INR 10 each.	80,00,000	8,00,00,000	80,00,000	8,00,00,000
<b>Issued, subscribed and paid up:</b>				
Equity Shares of INR 10 each fully paid up	52,38,930	5,23,89,300	52,38,930	5,23,89,300
<b>Total</b>	<b>52,38,930</b>	<b>5,23,89,300</b>	<b>52,38,930</b>	<b>5,23,89,300</b>

**(b) Other Equity**

Particulars	Securities Premium	Retained Earnings	Total
<b>Balance as at March 31, 2019</b>	73,03,200	(8,31,94,894)	(7,58,91,694)
Add: Profit upto 31.03.2021	-	(27,35,940)	(27,35,940)
Re-measurement gains/(losses)	-	-	-
<b>Balance as at March 31, 2020</b>	<b>73,03,200</b>	<b>(8,59,30,834)</b>	<b>(7,86,27,634)</b>
Add: Profit upto 31.03.2021	-	(16,24,628)	(16,24,628)
Re-measurement gains/(losses)	-	-	-
<b>Balance as at 31 March, 2021</b>	<b>73,03,200</b>	<b>(8,75,55,462)</b>	<b>(8,02,52,262)</b>

As per our report of even date  
**For NSVR & ASSOCIATES LLP**  
 FRN: 008801S/S200060

Sd/-  
**Suresh Gannamani**  
 Partner  
 Membership No: 226870  
 UDIN: 22226870AMSDPR9674

Place: Hyderabad  
 Date: 12/05/2022

For and on behalf of the Board of Directors of  
**Venmax Drugs and Pharmaceuticals Limited**

Sd/-  
**Raj Kumar Rai**  
 Managing Director  
 DIN: 00009207

Sd/-  
**N Krishnaiah**  
 Director  
 DIN: 07279009

Sd/-  
**G Pradeep Kumar**  
 CFO



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## **DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES**

### **1. General Information**

Venmax Drugs and Pharmaceuticals Limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Hyderabad, India. The Company is primarily engaged in the manufacturing and sale of bulk drugs. The Company is listed in the The Bombay Stock Exchange (BSE).

### **2. Basis of preparation and presentation of Financial Statements**

The financial statements of Venmax Drugs and Pharmaceuticals Limited ("the Company") have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, as amended and as per other relevant provisions of the Act. The presentation of financial statements is based upon Ind AS Schedule III of Companies Act, 2013.

#### **2.1 Basis of Measurement**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- a. Derivative financial instruments are measured at fair value.
- b. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- c. Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- d. Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

## **2.2 Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgments are:

### **a. Depreciation and amortization**

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

### **b. Employee Benefits**

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

### **c. Provision and contingencies**

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

### **d. Fair valuation**

Fair value is the market based measurement of observable market transaction or available market information. All financial instruments are measured at fair value as at the balance sheet date, as provided in Ind AS 109 and 113. Being a critical estimate, judgment is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc.,

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### 2.3 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs.

### 2.4 Current and non-current classification

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 and Presentation of financial statements.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

### 2.5 Foreign Currency Transaction

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising

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on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the statement of profit and loss in the period in which they arise.

## **2.6 Property Plant & Equipment**

### ***Recognition and measurement***

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

#### **Directly attributable costs include:**

- a. Cost of Employee Benefits arising directly from Construction or acquisition of PPE.
- b. Cost of Site Preparation.
- c. Initial Delivery & Handling costs.
- d. Professional Fees and
- e. Costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.



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## Depreciation

Depreciation is recognized in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment based on to the Companies Act, 2013 ("Schedule II"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life in years
Plant & Machinery	25
Lab Equipment	7.5
Material Handling	7.5
Fire fighting	7.5
Vehicles	8
Computers	3
Office Equipment	5
Furniture & Fixtures	10

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The Company assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or fair value less cost to sell.

## 2.7 Intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

## Amortization

Amortization is recognized in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use. The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Computer Software	3

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

## 2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a. **Financial assets**

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

##### Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

##### Investment in Preference Shares and Unquoted trade Investments

Investment in Preference Shares and Unquoted trade Investments are measured at amortized cost using Effective Rate of Return (EIR).

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### Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The

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transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### ***Impairment of trade receivables***

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. As Company trade receivables are realised within normal credit period adopted by the company, hence the company trade receivables are not impaired.

### ***b. Financial liabilities***

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on

The inputs used in their valuation:

**i) Level 1:** The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

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**ii) Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

**iii) Level 3:** The fair value of financial instruments that are measured on the basis of entity specific

Valuations using inputs that are not based on observable market data (unobservable inputs).

**Derivative financial instruments and hedging activities:**

A derivative is a financial instrument which changes value in response to changes in an underlying asset and is settled at future date. Derivatives are recognised at fair value at the end of reporting period and are subsequently re-measured at their fair value at each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- a. hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- b. hedges of a particular risk associated with a firm commitment or a highly probable forecasted transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

**(a) Fair value hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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**(b) Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the statement of profit and loss. Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss.

When a hedging instrument expires or swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss existing in statement of changes in equity is recognised in the Statement of Profit and Loss.

When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the statement of profit and loss.

**Fair value measurement**

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the Company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**2.9 Inventories**

Inventories consist of raw materials and finished goods and are measured at the lower of cost and net realizable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognized as property, plant and equipment, consists of packing materials, engineering spares (such as machinery spare parts) and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**2.10 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is

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estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **2.11 Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits, balance in dividend accounts which are not due and unclaimed dividend balances shall be disclosed as restricted cash balances.

## **2.12 Employee Benefits**

### ***a. Short term employee benefits***

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



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**b. Defined Contribution Plan**

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

**c. Defined Benefit Plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

**d. Termination benefits**

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**e. Other long-term employee benefits**

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.



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## 2.13 Provisions, contingent liabilities and contingent assets

### ***Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### ***Contingent liabilities***

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### ***Contingent assets***

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

## 2.14 Revenue Recognition

### ***Sale of goods:***

Revenue is recognized when the company substantially satisfies its performance obligation while transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

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### ***Other Income***

#### **Interest Income**

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

#### **Dividend**

Dividend income is recognized when the Company's right to receive dividend is established.

### **2.15 Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

### **2.16 Tax Expenses**

Tax expense consists of current and deferred tax.

#### ***Income Tax***

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### ***Deferred Tax***

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### ***Dividend distribution tax***

Tax arising out of receipt of dividend from the foreign subsidiary is netted off against dividend distribution tax payable against the payment of dividends to shareholders under the Indian Income tax regulations. Dividend paid to the shareholders under Indian income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the statement of changes in equity as part of the associated dividend payment.

Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020.

### **2.17 Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **2.18 Trade receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment, if any.

### **2.19 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

## **2.20 Determination of fair values**

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

### ***(i) Property, plant and equipment***

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

### ***(ii) Intangible assets***

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

### ***(iii) Inventories***

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

### ***(iv) Investments in equity and debt securities and units of mutual funds***

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

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In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

**(v) Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

**2.21 Going Concern:**

The company has been incurring continuous losses and net worth of the company has become negative for the end of financial year 31.03.2021. The management has evaluated and assessed these conditions and also focused on procuring more orders in the near future to make operations financially viable and the company's management is confident of getting the finance for its future operations and increased scalability in the operations.

**2.22 Global Health Pandemic on COVID-19:**

The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of the country, governments have introduced a variety of measures to contain the spread of the virus, including, lockdowns, and restrictions on movement of people and goods across different geographies.

There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 pandemic on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of assets and liabilities is minimal. The ongoing COVID-19 situation may result in some changes in the overall economic and market conditions, which may in turn have an impact on the operations of the Company.

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## **2.23 “Code on Security, 2020” :-**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Venmax Drugs and Pharmaceuticals Ltd**  
**Note No.3 Property, Plant and Equipment**

(All amounts in INR, unless otherwise stated)

Particular	Computers	Furniture and Fixtures	Total
<b>Gross Block</b>			
As at 1 April, 2019	72,839	7,54,187	8,27,026
Additions during the Year	-	-	-
Deductions during the Year	-	-	-
As at 31 March 2020	72,839	7,54,187	8,27,026
Additions during the Year	-	-	-
Deductions during the Year	-	-	-
As at 31 March 2021	72,839	7,54,187	8,27,026
<b>Depreciation</b>			
As at 1 April, 2019	12,907	24,341	37,248
For the Period	23,068	71,648	94,716
On deductions	-	-	-
As at 31 March 2020	35,975	95,989	1,31,964
For the Period	11,643	62,358	74,001
On deductions	-	-	-
As at 31 March 2021	47,618	1,58,347	2,05,965
<b>Net Block</b>			
As at 1 April, 2019	59,932	7,29,846	7,89,778
As at 31 March 2020	36,864	6,58,198	6,95,063
As at 31 March 2021	25,221	5,95,840	6,21,062

**Note:3(ii) Intangible Assets**

Particular	Amount
As at 1 April, 2020	3,62,644
Additions during the Period	-
Deductions during the Period	-
As at 31 March 2021	3,62,644
<b>Depreciation</b>	
As at 1 April, 2020	51,972
For the Period	29,433
On deductions	-
As at 31 March 2021	81,405
As at 31 March 2020	3,10,672
As at 31 March 2021	2,81,239



Note No.4(i) Non Current Investments		
Particulars	As at March 31, 2021	As at March 31, 2020
Deposit accounts	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note No.5 Loans and Advances		
Particulars	As at March 31, 2021	As at March 31, 2020
Security and other Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note No.6 Inventories		
Particulars	As at March 31, 2021	As at March 31, 2020
Finished Goods	-	21,57,955
<b>Total</b>	<b>-</b>	<b>21,57,955</b>

Note No.4(ii) Current Investments		
Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note No.7 Trade Receivables		
Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good Trade Receivables	3,62,089	3,79,810
<b>Total</b>	<b>3,62,089</b>	<b>3,79,810</b>

Note No.8 Cash and Cash Equivalents		
Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	7,51,911	498
Balances with banks in - Current accounts	984	12,982
<b>Total</b>	<b>7,52,895</b>	<b>13,480</b>

Note No.9 Bank Balances other than above		
Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks (Restricted Use) - Margin money deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note No.10 Other Financial Assets		
Particulars	As at March 31, 2021	As at March 31, 2020
Other Receivables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Note No.11 Other Current Assets		
Particulars	As at March 31, 2021	As at March 31, 2020
Advance for Expenses	18,500	6,27,666
Other Current Assets	10,39,673	3,74,570
<b>Total</b>	<b>10,58,173</b>	<b>10,02,236</b>



**Venmax Drugs and Pharmaceuticals Ltd**  
**Note No.12 Equity Share Capital**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised:</b> Equity Shares of INR 10 each.	80,00,000	8,00,00,000	80,00,000	8,00,00,000
<b>Issued, subscribed and paid up:</b> Equity Shares of INR 10 each fully paid up	52,38,930	5,23,89,300	52,38,930	5,23,89,300
<b>Total</b>	<b>52,38,930</b>	<b>5,23,89,300</b>	<b>52,38,930</b>	<b>5,23,89,300</b>

**i. Details of share holders holding morethan 5% of total number of shares**

Name of the Share Holder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	%	Number of Shares	%
NV Narender	9,17,430	17.51%	9,17,430	17.51%
Nitesh Vijay Vargiya	1,00,000	1.91%	1,00,000	1.91%
Raj kumar rai	3,00,000	5.73%	3,00,000	5.73%
Shree India Securities Ltd. (Corporate)	3,66,061	6.99%	3,66,061	6.99%

**ii. Reconciliation of Number of Shares Outstanding:**

Name of the Share Holder	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	52,38,930	5,23,89,300	52,38,930	5,23,89,300
Balance at the end of the year	52,38,930	5,23,89,300	52,38,930	5,23,89,300

**Note No.13 Other Equity**

Particulars	Securities Premium	Retained Earnings	Total
Balance as at March 31, 2019	73,03,200	(8,31,94,894)	(7,58,91,694)
Add: Profit upto 31.03.2021	-	(27,35,940)	(27,35,940)
Re-measurement gains/(losses)	-	-	-
Balance as at March 31, 2020	73,03,200	(8,59,30,834)	(7,86,27,634)
Add: Profit upto 31.03.2021	-	(16,24,628)	(16,24,628)
Re-measurement gains/(losses)	-	-	-
Balance as at 31 March, 2021	73,03,200	(8,75,55,462)	(8,02,52,262)

<b>Note No.14 Long-term borrowings</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Long term maturities of finance lease obligations	-	-
<b>Total</b>	-	-
<b>Note No.15 Long Term Provisions</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Other provisions	-	-
<b>Total</b>	-	-
<b>Note No.16 Deferred Tax Liabilities (Net)</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities (Net)	42,288	35,643
<b>Total</b>	42,288	35,643
<b>Note No.17 Short-term borrowings</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Loan repayable on demand from:Directors	2,32,90,024	2,51,89,367
From Others	-	-
<b>Total</b>	2,32,90,024	2,51,89,367
<b>Note No.18 Trade payables</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Dues to: Small and Micro Enterprises *	-	-
: Other than Small and Micro Enterprises	46,47,449	40,21,370
<b>Total</b>	46,47,449	40,21,370
<b>Note No.19 Other financial liabilities</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Other Financial Liabilities	19,51,458	13,10,658
<b>Total</b>	19,51,458	13,10,658
<b>Note No.20 Other current liabilities</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits payable	4,85,513	-
Other current liabilities	92,000	2,40,513
<b>Total</b>	5,77,513	2,40,513
<b>Note No.21 Short Term Provisions</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Provision : Others	4,29,690	-
<b>Total</b>	4,29,690	-
<b>Note No.22 Current Tax Liability (Net)</b>		
Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Liability (Net)	-	-
<b>Total</b>	-	-

**Note No.23 Revenue from Operations**

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Revenue from Sale of Products	16,78,764	47,21,988
<b>Total</b>	<b>16,78,764</b>	<b>47,21,988</b>

**Note No.24 Other income**

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Related to business activity		
Other Operating Income	18,14,343	-
Discount Received	-	8,043
<b>Total</b>	<b>18,14,343</b>	<b>8,043</b>

**Note:** During the year, Amount of Rs. 18,14,343/- was received from Mytri Laboratories Private Limited has been accounted as other operating income due to the provision for bad debts created in earlier years on the same.

**Note No.25 Raw Materials Consumed**

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Opening Stock of Raw Material	-	-
Add: Purchases during the year	7,85,797	42,77,478
Less: Closing stock of Raw Material	-	-
<b>Total</b>	<b>7,85,797</b>	<b>42,77,478</b>

**Note No.26 Changes in inventories of Finished Goods**

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Opening Stock of Finished Goods	21,57,955	10,54,070
Closing stock of Finished Goods	-	21,57,955
<b>Total</b>	<b>21,57,955</b>	<b>(11,03,885)</b>

**Note No.27 Employee benefits**

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Salaries and Wages	6,26,500	21,64,502
<b>Total</b>	<b>6,26,500</b>	<b>21,64,502</b>

**Note No.28 Finance costs**

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Finance Charges	-	8,717
<b>Total</b>	<b>-</b>	<b>8,717</b>

**Note No.29 Other Expenses**

Particulars	01.04.2020 to 31.03.2021	01.04.2019 to 31.03.2020
Legal Expenses	80,000	-
BSE Expenses	4,23,900	4,23,900
Professional Fee	34,000	30,000
Rent	3,71,500	8,24,500
Travelling & Fuel Expenses	80,000	1,20,000
Office Expenses	60,000	51,394
Other expenses	1,68,780	2,46,360
AGM Expenses & Audit fee	76,000	50,000
Bank charges	1,257	-
Depository Services	55,968	59,999
Share transfer charges	80,000	75,531
ROC filing charges	6,000	45,000
<b>Total</b>	<b>14,37,405</b>	<b>19,26,684</b>

### 30. Additional Information to the Financial Statements

#### 30.1 Auditors Remuneration

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Audit fees	50,000	50,000
b) Other charges		
Taxation matters	-	-
Certification fee	-	-
c) Reimbursement of out of pocket expenses	-	-
<b>TOTAL</b>	<b>50,000</b>	<b>50,000</b>

#### 30.2 Earnings per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Earnings</b>		
Profit attributable to equity holders	<b>(16,24,628)</b>	<b>(27,35,940)</b>
<b>Shares</b>		
Number of shares at the beginning of the year	52,38,930	52,38,930
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	52,38,930	52,38,930
<b>Weighted average number of equity shares outstanding during the year – Basic</b>	<b>52,38,930</b>	<b>52,38,930</b>
<b>Earnings per share of par value Rs.10/- – Basic (Rs.)</b>	<b>(0.31)</b>	<b>(0.52)</b>
<b>Earnings per share of par value Rs.10/- – Diluted (Rs.)</b>	<b>(0.31)</b>	<b>(0.52)</b>

### 30.3 Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company are given below:

Rama Krishnaiah Appanaboyana	Director
G Satya Venkata Divya Jyothi	Director
N Krishnaiah	Director
G Pradeep Kumar	Chief Financial officer
Rajkumar Rao	Managing Director
N V Narender	Executive Director

#### Details of Remuneration paid to directors

S No	Particulars	As at 31-Mar-21	As at 31-Mar-20
	<b>Unsecured Loan:</b>		
1	N.V Narender	3,00,000	3,00,000
2	Raj Kumar Rai	3,00,000	3,00,000
	<b>Total</b>	<b>6,00,000</b>	<b>6,00,000</b>

#### Details of balances receivable from and payable to related parties are as follows:

S No	Particulars	As at 31-Mar-21	As at 31-Mar-20
	<b>Unsecured Loan:</b>		
1	N.V Narender	59,59,757	78,59,100
2	Raj Kumar Rai	34,17,000	34,17,000
	<b>Total</b>	<b>93,76,757</b>	<b>1,12,76,100</b>

### 30.4 Segment Reporting:

The Company concluded that there is only one operating segment i.e, Drugs. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.



### 30.5 Income Taxes:

#### *Income tax expense/ (benefit) recognized in the statement of profit and loss:*

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2021	2020
<i>Current taxes expense</i>		
Domestic	-	-
<i>Deferred taxes expense/(benefit)</i>		
Domestic	6,645	63,308
<b>Total income tax expense/(benefit) recognized in the statement of profit and loss</b>	<b>6,645</b>	<b>63,308</b>

### 30.6 Financial Risk Management:

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

#### *a. Credit Risk:*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has the following categories of financial assets that are subject to credit risk evaluation:

**Trade Receivables-** The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate.

#### **Reconciliation of allowance for credit losses**

The details of changes in allowance for credit losses during the year ended 31 March 2021 and 31 March 2020 are as follows:

Particulars	For the Year Ended 31 March	
	2021	2020
<b>Balance at the beginning of the year</b>	-	-
Impairment of Trade receivables	-	-
<b>Balance at the end of the year</b>	-	-

#### **Liquidity Risks:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021:

Particulars	2022	2023	2024	Thereaf ter	Total
Trade payables	46,47,449	-	-	-	<b>46,47,449</b>
Borrowings	2,32,90,024	-	-	-	<b>2,32,90,024</b>
Other liabilities	28,59,939	-	-	-	<b>28,59,939</b>

### **Market Risks:**

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Coffee Industry is dependent on nature, making it susceptible to climate vagaries. The major weather factors that influence coffee yield are rainfall, temperature, light intensity and relative humidity.

### **Interest rate risk**

Interest rate risk refers to risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates.

### **Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required.

The company's Debt Equity ratio is as follows:

<b>Particulars</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Total Debt	(3,08,96,134)	(3,07,61,908)
Total Equity	(2,78,62,962)	(2,62,38,334)
Debt-Equity Ratio	(1.11):1	(1.17):1

As per our report of even date  
**For NSVR & ASSOCIATES LLP**  
 FRN: 008801S/S200060

**Sd/-**  
**Suresh Gannamani**  
 Partner  
 Membership No: 226870  
 UDIN: 22226870AMSDPR9674

Place: Hyderabad  
 Date: 12/05/2022

For and on behalf of the Board of Directors of  
**Venmax Drugs and Pharmaceuticals Limited**

**Sd/-**  
**Raj Kumar Rai**  
 Managing Director  
 DIN: 00009207

**Sd/-**  
**N Krishnaiah**  
 Director  
 DIN: 07279009

**Sd/-**  
**G Pradeep Kumar**  
 CFO



**Form No. MGT -11  
Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name : VENMAX DRUGS AND PHARMACEUTICALS LIMITED  
 CIN : L24230TG1988PLC009102  
 Regd. Off. : Shed No.22, Plot No.84, Phase – 1, IDA Cherlapally,  
 Hyderabad, Rangareddi TG 500051.

Name of the member(s):	
Registered address:	
E- mail Id:	
Folio No.	
DP ID:	

I/We being a member(s) of \_\_\_\_\_ shares of the above-named company, hereby appoint

- Name : \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Friday, 30<sup>th</sup> day of September, 2022 at 2.30 P.M. at J.S. Krishnamurthy Hall, FATPCCI Building, Red Hills, Hyderabad – 500004 at and at any adjournment thereof in respect of such resolutions as are indicated below:

\*I wish my above proxy to vote in the manner as indicated below:

Resolutions	For	Against
1. To consider and adopt the Audited Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto along with the Reports of Auditors and Directors thereon		
2. To appoint a director in place of Mr.N.Krishnaiah (DIN: 07279009), who retires by rotation and being eligible, offers himself for re-appointment.		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2022.

Signature of shareholder

Signatures of proxy holders

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Notes:

1. The proxy form duly signed across the Revenue Stamp must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
2. A proxy need not be a member of the Company.
3. \* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**

CIN: L24230TG1988PLC009102

Regd. Off.: Shed No.22, Plot No.84, Phase – 1, IDA Cherlapally, Hyderabad Rangareddi TG 500051.

**ATTENDANCE SLIP**

I hereby record my presence at 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Friday, 30<sup>th</sup> day of September, 2022 at 2.30 P.M. at J.S. Krishnamurthy Hall, FATPCCI Building, Red Hills, Hyderabad – 500004.

Full name of the shareholder \_\_\_\_\_ Signature \_\_\_\_\_

Folio No. \_\_\_\_\_

Full name of the Proxy \_\_\_\_\_ Signature \_\_\_\_\_



If undelivered please return to:  
**VENMAX DRUGS AND PHARMACEUTICALS LIMITED**  
Shed No.22, Plot No.84, Phase – 1, IDA Cherlapally,  
Hyderabad Rangareddi TG 500051 IN