



VRL/SEC/EXCHANGE

30.09.2020

National Stock Exchange of India Ltd.

5th Floor, Exchange Plaza

Bandra (E),

Mumbai- 400 051

Script Code: VENUSREM

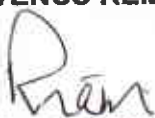
Sub.: Clarification for Financial Results- VENUSREM

Dear Sir/ Madam,

With reference to your mail dated 29.09.2020, we would like to submit that signatory Mr. Pawan Chaudhary is Managing Director as well as CFO of the company who has signed in impact of audit qualifications which enclosed as annexure. .

Thanking you.

**Yours faithfully,
for VENUS REMEDIES LIMITED**


(Authorised Signatory)

VENUS REMEDIES LIMITED

Corporate Office :

51-52, Industrial Area, Phase- I, Panchkula (Hry.) 134113, India

Regd. Office :

SCO 857, Cabin No. 10, 2nd Floor, NAC, Manimajra,
Chandigarh (U.T.) 160101, India

Website : www.venusremedies.com

www.vmrindia.com

email : info@venusremedies.com

Unit-I :

51-52, Industrial Area, Phase-I, Panchkula (Hry.) 134113, India
Tel. : +91-172-2933094, 2933090, 2565577, Fax : +91-172-2565566

Unit-II :

Hill Top Industrial Estate, Jharmajri EPIP, Phase-I, (Extn.),
Bhatoli Kalan, Baddi (H.P.) 173205, India
Tel. : +91-1792-242100, 242101, Fax : +91-1795-271272

Unit-V :

VENUS PHARMA GmbH
AM Bahnhof 1-3 D-59368 Werne, Germany

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
For Standalone annual financial results
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020**

Rs. in millions

No	Particulars	Audited figures(as reported before adjusting for qualifications)	Audited figures(as reported after adjusting for qualifications)
1	Total Income/ Turnover	3259.39	3259.39
2	Total expenditure	3341.66	3591.62
3	Net profit/(Loss)	(82.26)	(332.23)
4	Earnings Per Share	(6.67)	(26.91)
5	Total Assets	6382.13	6382.13
6	Total Liabilities	6382.13	6382.13
7	Net Worth	3322.53	3072.56
II Audit Qualification			
a	Details of Audit Qualification	<p>(a) The lenders of the company has approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and was unable to comply with terms of repayment approved by lenders in corporate debt restructuring package. The Company has delayed in repayment of loans or borrowings to banks which were persisting as on 31 March, 2020. Total of Rs. 631.9 Million is the outstanding amount for repayment which includes principal Rs. 397.8 Million and Interest Rs. 234.1 Million as on 31st March 2020.</p> <p>The company has not provided interest expenses of Rs 30.26 million and Rs. 121.49 million for the quarter and year ended March 31, 2020 respectively and Rs.113.39 million for the Financial Year 2018-19 on loans for which interest is not applied by the banks and not reflected in bank statement.</p> <p>As a result, interest expenses of Rs 30.26 million and Rs. 121.49 million have been less provided in the books for the quarter and year ended 31st March, 2020 respectively. (Refer Note no.3 to the Statement)</p> <p>(b) The Company has not translated carrying balances of Foreign Currency Convertible bond at rates prevalent as on 31st March, 2020. Finance cost of Rs. 27.07 million and 13.84 million for quarter ended 31st March, 2020 and for the period 1st April 2019 to</p>	

31st December, 2019 respectively.

As result Finance cost of Rs 27.07 million and Rs.40.91million have been less provided in the books for the quarter and Year ended March 31, 2020.

Further, the company has not provided interest expenses of Rs 4.96 Million and Rs. 14 million on Foreign Currency Convertible bond for the Quarter ended 31st March 2020 and for the period 1st April 2019 to 31st December, 2019 respectively.

As a result, interest expenses of Rs 4.96 million and Rs. 18.96 million have been less provided in the books for the quarter and Year ended 31st March, 2020 respectively

Interest expense of Rs 68.60 Million provided for previous years have been reversed in the quarter ended 31st March, 2020 and shown in profit & Loss statement under exceptional item

We further report that the matters referred in point 3(a) was also qualified in the audit report on the standalone financial results for the quarter and year ended 31st March, 2019 and Limited Review Report for the quarter ended 30th June, 2019, 30th September, 2019 and 31st December 2019. The matter referred in point 3 (b) above was also qualified in the Limited Review Report for the quarter ended 30th September, 2019 and quarter ended 31st December 2019.

We further report had the qualification made by us in paragraph point 3 (a) and (b) above been considered during the quarter and Year ended 31st March, 2020, finance costs would have been Rs 43.51 million and Rs.311.83 million for the quarter and Year ended 31st March, 2020 respectively (as against the reported figure of Rs. (18.79) Million and Rs 130.46 million for the quarter and Year ended 31st March, 2020, 2019 respectively), the loss for the quarter and Year ended 31st March, 2020 would have been Rs (198.34) million and Rs.(332.23) million respectively (as against the reported figure of Loss of Rs (67.44)million and Loss of Rs.(82.26) million for the quarter and Year ended 31st March, 2020 respectively) and Long term Borrowings as on 31stMarch, 2020 would have been Rs. 851.09 million (as against the reported figure of Rs.722.61 million).

b.	Type of Qualification	Qualified opinion
c.	Frequency of qualification	Item no. A of qualification is repetitive And item no. B is addition during the current year
d.	For audit qualification where the impact is quantified by the auditors, management's view	The company has reversed the interest expenses on loans for which interest is not applied by the lenders.
e	For audit qualification where the impact is not quantified by the auditors	
	Auditors' Comments on (e) above:	

II I	Signatories
	Pawan Chaudhary- Managing Director and <i>CFO</i>  
	Ajeet Kapoor -CGM Accounts 
	Suresh Kumar Chadha - Audit Committee Chairman 
	Statutory Auditor For Vinod Kumar & Associates, Chartered Accountants, (FRN): 002304N Mukesh Dadhich M.No.: 511741  

Place: Panchkula
Date: 21.08.2020

Statement on Impact of Audit Qualifications (for audit report with modified opinion)
For Consolidated annual financial results
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020

Rs. in Millions

No	Particulars	Audited figures(as reported before adjusting for qualifications)	Audited figures(as reported after adjusting for qualifications)
1	Total Income/ Turnover	3,467.71	3,467.71
2	Total expenditure	3,567.70	3817.67
3	Net profit/(Loss)	(99.98)	(349.95)
4	Earnings Per Share	(8.10)	(28.34)
5	Total Assets	6377.19	6377.19
6	Total Liabilities	6377.19	6377.19
7	Net Worth	3233.70	2983.735

II Audit Qualification

a Details of Audit Qualification

(a) The lenders of the company has approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and was unable to comply with terms of repayment approved by lenders in corporate debt restructuring package.

The Parent Company has delayed in repayment of loans or borrowings to banks which were persisting as on 31 March, 2020. Total of Rs. 631.9 Million is the outstanding amount for repayment which includes principal Rs. 397.8 Million and Interest Rs. 234.1 Million as on 31 st March 2020.

The Parent company has not provided interest expenses of Rs 30.26 million and Rs. 121.49 million for the quarter and year ended March 31, 2020 respectively and Rs.113.39 million for the Financial Year 2018-19 on loans for which interest is not applied by the banks and not reflected in bank statement.

As a result, interest expenses of Rs 30.26 million and Rs. 121.49 million have been less provided in the books for the quarter and year ended 31st March, 2020 respectively.

(Refer Note no.4 to the Statement)

b. Parent Company has not translated carrying balances of Foreign Currency Convertible bond at rates prevalent as on 31st March, 2020. Finance cost of Rs. 27.07 million and 13.84 million for quarter ended

31st March, 2020 and for the period 1st April 2019 to 31st December, 2019 respectively

Further, the company has not provided interest expenses of Rs 4.96 Million and Rs. 14 million on Foreign Currency Convertible bond for the Quarter ended 31st March 2020 and for the period 1st April 2019 to 31st December, 2019 respectively.

As a result, interest expenses of Rs 4.96 million and Rs. 18.96 million have been less provided in the books for the quarter and Year ended 31st March, 2020 respectively

Interest expense of Rs 68.60 Million provided for previous years have been reversed in the quarter ended 31st March, 2020 and shown in profit & Loss statement under exceptional item.

We further report that the matters referred in (a) was also qualified in the audit report on the Consolidated financial results for the quarter and year ended 31st March, 2019 and Limited Review Report for the quarter ended 30th June, 2019, 30th September, 2019 and 31st December 2019. The matter referred in (b) above was also qualified in the Limited Review Report for the quarter ended 30th September, 2019 and quarter ended 31st December 2019.

We further report had the qualification made by us in paragraph (a) and (b) above been considered during the quarter and Year ended 31st March, 2020, finance costs would have been Rs 44.13 million and Rs.314.74 Million for the quarter and Year ended 31st March, 2020 respectively (as against the reported figure of Rs. (18.17) Million and Rs 133.37 million for the quarter and Year ended 31st March, 2020, 2019 respectively), the loss for the quarter and Year ended 31st March, 2020 would have been Rs (184.70) million and Rs.(349.95) million respectively (as against the reported figure of loss of Rs (53.8) million and Loss of Rs(99.98) million for the quarter and Year ended 31st March, 2020respectively) and Long term Borrowings as on 31st March, 2020 would have been Rs. 853.75 million (as against the reported figure of Rs.725.27 million).

b. Type of Qualification

Qualified opinion

c. Frequency of qualification

Item no. A of qualification is repetitive
And item no. B is addition during the current year

d. For audit qualification where the impact is quantified by the auditors, management's view

The company has reversed the interest expenses on loans for which interest is not applied by the lenders.

For audit qualification where the impact is not quantified by the auditors

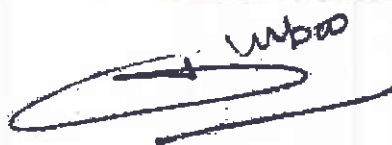
Auditors' Comments on above:

II Signatories

Pawan Chaudhary- Managing Director and
CFO



Ajeet Kapoor -CGM Accounts



Suresh Kumar Chadha - Audit Committee
Chairman



Statutory Auditor
For Vinod Kumar & Associates,
Chartered Accountants.
(FRN): 002304N

Mukesh Dadhich
M.No.: 511741



Place: Panchkula
Date: 21.08.2020