Panacea Biotec
Innovation in support of life

December 02, 2020

The Manager, Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 NSE Symbol : PANACEABIO	BSE Limited Corporate Relationship Department, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 BSE Scrip Code: 531349

Reg.: Intimation of the 36th Annual General Meeting of Panacea Biotec Limited ("the Company") for the Financial Year 2019-20 and details of Book Closure, Cut-off date for e-Voting and e-Voting Period

Dear Sir/Madam,

In continuation to our earlier letter dated November 11, 2020 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), we would like to inform you that the 36th Annual General Meeting ("**AGM**") of the Company is scheduled to be held on **Thursday, December 24, 2020** at **11:30 A.M.** through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**") in terms of the General Circulars issued by the Ministry of Corporate Affairs vide Nos. 14/2020, 17/2020 and 20/2020 dated 08.04.2020, 13.04.2020 and 05.05.2020, respectively and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 issued by the Securities and Exchange Board of India. In regard to the above, a copy of Notice of the AGM along with Annual Report for financial year 2019-20 is enclosed herewith for your reference.

Also, 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 from time to time and Regulation 44 of the SEBI LODR Regulations, the Company is pleased to provide remote e-voting facility to its members to cast their votes electronically on all resolutions set forth in enclosed Notice.

Further, relating to the AGM of the Company, you are requested to take on record the following:

1. The Register of Members and the Share Transfer Books shall remain closed from Thursday, December 17, 2020 to Thursday, December 24, 2020 (both days inclusive).
2. For the purpose of exercising remote e-voting, the cut-off date shall be Thursday, December 17, 2020.
3. The remote e-voting period shall commence on Monday, December 21, 2020 (from 09:00 a.m. IST) and end on Wednesday, December 23, 2020 (upto 05:00 p.m. IST). Remote e-Voting facility will also be available during the AGM for the members attending the AGM.

This is for your kind information and record please.

Thanking you,

Sincerely yours,
for **Panacea Biotec Ltd.**

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Encl.: As Above

Panacea Biotec
Innovation in support of life

Panacea Biotec Limited

(CIN:L33117PB1984PLC022350)
Regd. Office: Ambala - Chandigarh Highway, Lalru - 140 501, Punjab
Corp. Office: B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044
Website: www.panaceabiotec.com E-mail: companysec@panaceabiotec.com
Tel: +91 11 41679000 Fax: +91 11 41679070

NOTICE

NOTICE is hereby given that the **Thirty Sixth Annual General Meeting** of the Members of Panacea Biotec Limited ("the Company") will be held on **Thursday, December 24, 2020** at **11:30 A.M.** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 including Auditors' Report thereon and in this regard, if thought fit, to pass the following resolutions as **Ordinary Resolutions**:

   a. "RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and the Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   b. "RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 including Auditors' Report thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Soshil Kumar Jain who retires by rotation and being eligible, offers himself for re-appointment and in this regard, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT Mr. Soshil Kumar Jain (DIN: 00012812) who retires by rotation and being eligible, offered himself for re-appointment, be and is hereby re-appointed as director, liable to retire by rotation."

SPECIAL BUSINESS:

3. To consider the appointment of Mr. Shantanu Yeshwant Nalavadi as a director of the Company and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Shantanu Yeshwant Nalavadi (DIN: 02104220), aged about 50 years, who was appointed by the Board of Directors as an Additional Director (in the capacity of nominee director) of the Company on December 10, 2019 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and who holds office as such upto the date of ensuing Annual General Meeting, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing the candidature of Mr. Shantanu Yeshwant Nalavadi for the office of Director of the Company, be and is hereby appointed as a director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to file all such necessary e-forms with the Registrar of Companies and to intimate any other authority, if required and to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be necessary or expedient to give effect to this resolution."

4. To consider the re-appointment of Mr. Mukul Gupta as an independent director of the Company and in this regard, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mukul Gupta (DIN: 00254597), aged about 63 years, who was appointed as an independent director and who holds office as such upto March 31, 2021, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years on the Board of Directors of the Company from April 01, 2021 to March 31, 2026.

   RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to file all such necessary e-forms with the Registrar of Companies and to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be necessary or expedient to give effect to this resolution."

5. To consider and ratify the remuneration of Cost Auditors and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the explanatory statement annexed to the Notice, to be paid to M/s. GT & Co., Cost Accountants, appointed as Cost Auditors of the Company, to conduct the audit of cost records of the Company for the financial year 2020-21, be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all such acts, matters, deeds and things and to sign all such documents papers and writings as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For Panacea Biotec Ltd.

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Place: New Delhi
Date: November 11, 2020

NOTES:

1. In view of the outbreak of the Covid-19 pandemic requiring social distancing norm to be followed, the continuing challenges/risks associated with movement of persons in the country and pursuant to General Circulars issued by the Ministry of Corporate Affairs ("MCA") vide Nos. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively (collectively referred to as "MCA Circulars"), and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), **the 36th Annual General Meeting ("AGM" / "Meeting") of the Company is being conducted through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company viz Ambala-Chandigarh Highway, Lalru - 140501, Punjab.**

2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members under Section 105 of the Act will not be available for the AGM. Since the AGM will be held through VC/OAVM facility, the Proxy Form, Attendance Slip and Route Map are not annexed hereto. However, in pursuance of Section 112 and 113 of the Act, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and participate thereat and cast their votes through remote e-voting.

3. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning Special Business set out in the Notice is annexed hereto.

4. The details of directors retiring by rotation / seeking appointment or re-appointment in the ensuing AGM as required pursuant to the provisions of SEBI LODR Regulations and Secretarial Standard on General Meetings ("Secretarial Standard - 2"), as applicable, are provided in the Annexure - I to the Explanatory Statement to the Notice.

5. **Dispatch of Notice of AGM and Annual Report through Electronic Mode**

    i) Pursuant to the aforesaid MCA Circulars and SEBI Circular in view of the prevailing situation and owing to the difficulties involved in dispatch of physical copies of the Notice of AGM and the Annual Report for the year 2019-20, the same are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Therefore, Members, whose email address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the soft copy of Notice of the AGM and the Annual Report for the financial year 2019-20 and all other communications sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

        a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to Company's RTA at compliances@skylinerta.com or at Company's email address: companysec@panaceabiotec.com.

        b) For the Members holding shares in demat form, please update your email address with your respective Depository Participant(s).

    ii) Members may also note that the Notice of the 36th AGM and the Annual Report for the financial year 2019-20 will also be available on the Company's website viz. www.panaceabiotec.com and on the website of the Stock Exchanges where the equity shares of the Company are listed viz National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") at https://www.nseindia.com and https://www.bseindia.com, respectively. The notice will also be available on the website of NSDL at www.evoting.nsdl.com.

    iii) The Notice of AGM will be sent to those Members / beneficial owners electronically, whose name will appear in the Register of Members / list of beneficiaries received from the depositories as on Friday, November 27, 2020. A person who is not a member as on the cut-off date i.e. Thursday, December 17, 2020, should treat this Notice for information purposes only.

    iv) Any person who has acquired shares and become member of the Company after the dispatch of this Notice and holding shares as on the cut-off date i.e. Thursday, December 17, 2020, may obtain electronic copy of Notice of AGM and the Annual Report by sending a request to the Company or Company's RTA.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, December 17, 2020 to Thursday, December 24, 2020 (both days inclusive) for the purpose of AGM. The cut-off date to determine the eligibility for the purpose of voting through electronic means in the AGM is Thursday, December 17, 2020.

7. **Procedure for Voting through Electronic Means (Remote e-Voting):**

    i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI LODR Regulations, the Company is pleased to provide to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 36th AGM by electronic means and has engaged the services of NSDL to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting during the proceedings of the AGM through VC/OAVM ('e-voting at the AGM').

    ii) The remote e-voting period will commence on Monday, December 21, 2020 (from 09:00 a.m. IST) and end on Wednesday, December 23, 2020 (upto 05:00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. December 17, 2020 may cast their votes electronically.

Cut-off date for remote e-voting	17.12.2020
Remote E-voting start date	21.12.2020
Remote E-voting end date	23.12.2020

The remote e-voting module shall forthwith be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. However, the facility for voting through electronic voting system will also be made available at the Meeting and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting.

    iii) Any person who has acquired shares and become member of the Company after electronic dispatch of Notice of the AGM but holding shares as on the cut-off date i.e. December 17, 2020 may obtain user ID and password for e-voting by sending a request to the Company's RTA or NSDL.

    iv) A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

    v) Members attending the meeting, through VC/OAVM Facility, who have not already casted their vote by remote e-voting shall be entitiled to exercise their right to vote at the meeting. The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM facility but shall not be entitled to cast their vote again.

vi) The process/manner for availing remote e-voting facility and the instructions for members voting electronically are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii) If your email ID is not registered, please follow steps mentioned below in **Process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com .
   b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

vii) General Guidelines for shareholders

a. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@panaceabiotec.com or scrutinizer108@gmail.com with a copy marked to evoting@nsdl.co.in.

b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 at +91-22-24994360 or +91-22-24994545 or at 1800-222-990 (toll free) or send a request at evoting@nsdl.co.in or contact RTA of the Company at 011-40450193-97 & 011-26812682-83 or email at compliances@skylinerta.com.

8. **Process for shareholders who have not registered their email addresses:**

A) In compliance with the requirements of the MCA Circulars, the Company will send the Notice of AGM in electronic form only. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system or through e-voting during the Meeting. To facilitate such shareholders to receive this notice electronically and cast their vote electronically, the Company has made special arrangement with its RTA, for registration of email addresses in terms of the MCA Circulars. Therefore, those shareholders who have not yet registered their email address are requested to get their email address registered by following the procedure given below:

Click the link: https://www.skylinerta.com/EmailReg.php and follow the registration process as guided thereafter and mentioned herein below:

For Members who have electronic folios:

a) Visit the link https://www.skylinerta.com/EmailReg.php

b) Select the company name

c) Select the Mode of Shareholding

d) Enter DPID-CLID

e) Enter the name (in case of Joint Shareholders, name of First Shareholder to be entered)

f) Enter the Email id, Mobile No. and PAN

g) RTA checks the authenticity of the client id and PAN and send the OTP to Email id to validate the same.

h) Shareholder to enter the OTP received by Email to complete the validation process. (OTP will be valid for 5 minutes only).

i) RTA confirms the registration of Email id for the limited purpose of serviced AGM notice.

For Members who have physical folios:

a) Visit the link https://www.skylinerta.com/EmailReg.php

b) Select the company name

c) Select the Mode of Shareholding

d) Enter Folio No.

e) Enter the name (in case of Joint Shareholders, name of First Shareholder to be entered)

f) Enter the Email id, Mobile No. and PAN No. (If PAN is not available in the records, shareholder to enter one of the Share Certificate No.)

g) RTA checks the authenticity of the Folio No. and PAN / Share Certificate No. and send the OTP to Email id to validate the same.

h) Shareholder to enter the OTP received by Email to complete the validation process. (OTP will be valid for 5 minutes only).

i) If PAN is not available, Shareholder to send duly signed copy of PAN to RTA on compliances@skylinerta.com.

j) RTA confirms the registration of Email id for the limited purpose of serviced AGM Notice.

Post successful registration of the email, the RTA will promptly send a copy of the AGM Notice and the procedure for e-voting along with the User ID and the Password to the email id given by the shareholders to enable e-voting for this AGM, but not later than within 48 hours of receipt of the e-mail ID from the Eligible Members.

In case of any queries, shareholder may write to compliances@skylinerta.com.

B) It is clarified that for permanent registration of email address, the shareholder is required to register his/her/its email address, in respect of electronic holdings with the Depository through the concerned Depository Participant and in respect of physical holdings with the Company's RTA, by following due procedure.

C) Those shareholders who have already registered their email address are requested to keep their email addresses validated with their Depository Participants / the Company's RTA, to enable servicing of notices / documents / Annual Reports electronically to their email address.

9. Members may follow the same procedure for e-voting at the AGM as mentioned for remote e-voting. Only those Members who will be attending the AGM through VC/OAVM and have not cast their vote by remote e-voting, may exercise their voting rights at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may attend the AGM and their presence shall be counted for the purpose of quorum, but shall not be entitled to cast their vote again at the AGM. A Member can vote either by remote e-voting or by e-voting at the AGM.

10. The voting rights of the members for remote e-voting and e-voting at the AGM shall be in proportion to the paid-up value of their shares in the total paid-up share capital of the Company carrying voting rights, as on the cut-off date, being December 17, 2020.

11. The voting rights of the preference shareholders for remote e-voting and e-voting at the AGM shall be in proportion to the paid-up value of their shares in the total paid-up share capital of the company carrying voting rights, as on the cut-off date, being December 17, 2020.

12. The Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts or Arrangements in which the Directors are Interested, maintained under Section 170 and Section 189, respectively of the Act and the relevant documents referred to in the accompanying Notice and the Explanatory Statement will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice and Explanatory Statement will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to companysec@panaceabiotec.com.

13. Members desirous of seeking any information relating to the annexed Audited Financial Statements of the Company for the financial year ended March 31, 2020 or any other matter to be placed at the AGM, may please write to the Company, at least 7 days prior to the date of AGM through email on companysec@panaceabiotec.com. The same will be replied by the Company suitably.

14. **Instructions for accessing and participating in the AGM through VC/OAVM Facility**

    i) In compliance to the aforesaid Circulars, the Company is providing VC/OAVM facility to its Members for participating at the AGM and for which the Company has availed services of its RTA viz. Skyline Financial Services Pvt. Ltd. for providing facility of participation in the AGM through VC/OAVM Facility and e-voting during the AGM.

    ii) Members may join the AGM through VC/OAVM Facility by following the procedure as mentioned below. VC/OAVM Facility shall be kept open for the Members from 11:15 a.m. IST i.e. 15 minutes before the time scheduled to start the AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the AGM.

    iii) Members may note that the VC/OAVM Facility will be available for 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.

    iv) Members may follow the same procedure for e-voting during the Meeting as mentioned above in Note no. 7 for remote e-voting.

    v) Only those Members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the Meeting.

    vi) The Members who have casted their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM Facility but shall not be entitled to cast their vote again.

    vii) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of name will be entitled to vote at the AGM.

    viii) **Members will be able to attend the 36th AGM of the Company through VC/OAVM Facility through the NSDL e-voting system at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials and selecting the EVEN for the Company's AGM. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the process of voting through electronic means mentioned in the Note No. 7 as above to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.**

    ix) Members are encouraged to join the Meeting through laptops for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

    x) Please note that Members connecting from mobile devices or tablets or through laptops etc. connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

    xi) Members, who would like to express their views/ask questions during the Meeting, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company at its email address: companysec@panaceabiotec.com atleast 48 hours in advance before the start of the AGM i.e. by December 21, 2020 by 05:00 p.m. IST.

    xii) Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address: companysec@panaceabiotec.com atleast seven (7) days in advance before the start of the meeting i.e. by December 17, 2020 by 05:00 p.m. IST. The same will be replied by the Company suitably.

    xiii) **Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.**

    xiv) Attendance of the Members participating in the AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

    xv) The Helpline details of the person who may be contacted by the Member needing assistance, before or during the AGM shall be the same persons mentioned for remote e-voting at Note No. 7 above.

15. Pursuant to the provisions of Section 124 of the Act read with Rules made thereunder, as amended from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven (7) consecutive years or more from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. In pursuance of this, the Company has transferred the unpaid or unclaimed dividends declared upto the financial years 2010-11, from time to time, to the IEPF. The details of dividends so far transferred to the IEPF Authority are available on the Company's website at web-link: https://www.panaceabiotec.com/dividends-and-associated-policies.

16. Attention of the Members is also drawn to the provisions of Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ("IEPF Rules") which require a company to transfer all the shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more, into the Demat Account of IEPF Authority. Accordingly, the Company had, from time to time, transferred total 1,15,293 equity shares of Re.1 each into the demat account of IEPF Authority, in respect of which dividend amount was not claimed by the members for seven consecutive years or more i.e. from financial year 2010-11. The details of shares so transferred are available on the Company's website at web-link: https://www.panaceabiotec.com/dividends-and-associated-policies.

    Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority in accordance with such procedure and on submission of such documents as prescribed. As on the date of this Notice, 2,015 shares have been claimed back by the shareholders by following the said procedure.

17. The members holding shares in physical form are requested to intimate changes pertaining to their bank account details, change of address, change of e-mail address, contact numbers etc., if any, to the Company's RTA. Members holding shares in dematerialised form should intimate any such change to their Depository Participant.

18. Non-Resident Indian Members are requested to inform the Company's RTA immediately:

a) the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.

b) any change in their residential status on return to India for permanent settlement.

19. **The members who are holding shares in physical form and have not yet got exchanged their old Share Certificate(s) for Equity Shares of Rs.10/- each, into new Share Certificate(s) in respect of sub-divided Equity Shares of Re.1/- each, are requested to send the request along with the related original Share Certificate(s) immediately.**

20. **Equity Shares of the Company are under Compulsory Demat segment. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants ("DPs") in their vicinity for getting their shares dematerialised.**

    Further, Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, the Company/ RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. In case any clarification is needed in that regard, the undersigned may be contacted in person or by communication addressed to the Corporate Office/ RTA of the Company.

21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

22. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. **Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit a self-attested copy of their PAN Card to the Company/RTA.**

23. **In all correspondence(s) with the Company / RTA, members are requested to quote their folio number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.**

24. Pursuant to Section 72 of the Act, the members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH-13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which can be obtained from the Company's RTA or can be downloaded from the Company's website through the link: https://www.panaceabiotec.com/nomination-faqs) to the RTA of the Company. Members holding shares in demat form may contact their respective DPs for recording of nomination.

25. Members who are holding shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the share certificates to the Company's RTA for consolidation into a single folio.

26. Mr. Debabrata Deb Nath, Practicing Company Secretary (Membership No. F-7775), Partner M/s. R&D Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.

27. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall within 48 hours from the conclusion of the AGM, make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, and shall submit the same to the Chairman of the AGM or a person authorized by him in writing, who shall countersign the same.

28. The results of the voting shall be declared after receipt of the consolidated scrutinizer's report either by Chairman of the AGM or by any person authorized by him in writing and the resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the respective resolutions. The results so declared and the scrutinizer's report(s) shall be simultaneously placed on the Company's website (https://www.panaceabiotec.com) and on the website of NSDL and shall also be communicated to BSE Limited and National Stock Exchange of India Limited. Further, the results of the voting shall also be displayed on the notice board of the Company at its Registered Office as well as Corporate Office.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

In accordance with the terms of the Debenture Trust Deed dated April 06, 2019 executed by the Company with Vistra ITCL (India) Limited and Company's wholly-owned subsidiary viz. Panacea Biotec Pharma Limited, in connection with the issue and allotment of Non-Convertible Debentures ("NCDs") across multiple series India Resurgence Fund-Scheme 1, India Resurgence Fund-Scheme 2 and Piramal Enterprises Limited (collectively "India Resurgence Fund" or "Investors"), India Resurgence Fund has the power to appoint a nominee director on the Board of Directors of the Company and accordingly, the Company received the nomination of Mr. Shantanu Yeshwant Nalavadi for appointment as director from India Resurgence Fund.

The Board of Directors of the Company has appointed Mr. Shantanu Yeshwant Nalavadi (DIN: 02104220) on December 10, 2019 as an additional director (in the capacity of nominee director) on the Board of Directors of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company. Pursuant to the said provisions of the Act, he will hold office as such only up to the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of director of the Company. The Nomination and Remuneration Committee of the Board of Directors as well as the Board of Directors has recommended his appointment as a director of the Company, not liable to retire by rotation.

The Company has received from Mr. Shantanu Yeshwant Nalavadi (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and (ii) intimation in Form DIR- 8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of section 164 of the Act.

The details of Mr. Shantanu Yeshwant Nalavadi as required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and Secretarial Standard - 2, as applicable, are provided in **Annexure - I** appended to this statement.

Save and except Mr. Shantanu Yeshwant Nalavadi to whom the resolution relates, and his relatives (to the extent of their shareholding in the Company, if any), none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of this Notice. This statement may also be regarded as an appropriate disclosure under Regulation 36 of the SEBI LODR Regulations and Secretarial Standard-2.

The Board considers that his continued association along with vast knowledge and experience would be of immense benefit to the Company and it will be desirable to continue to avail his services as a Director.

Accordingly, the Board of Directors recommends the resolution as set out at Item no. 3 of this notice for the approval of the members of the Company by way of an Ordinary Resolution.

Item No. 4

Mr. Mukul Gupta (DIN: 00254597) was appointed as an independent director on the Board of Directors of the Company pursuant to the provisions of Section 149 and 152 of the Act read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). He holds office as an independent director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years upto March 31, 2021 and the same was approved by the shareholders in the Extraordinary General Meeting held on March 30, 2016.

As per the provisions of Section 149(10) of the Act, an independent director shall hold office for a term of up to 5 consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such re-appointment in its Board's report. Section 149(11) of the Act provides that an independent director may hold office for up to two consecutive terms.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation, has recommended re-appointment of Mr. Mukul Gupta as an Independent Director, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company. The summary of performance evaluation criteria for Independent Directors was based on attendance of Directors, decision taken in the interest of the organization, monitoring performance of organization based on agreed goals & financial performance and active participation in the affairs of the Company as Board & Committee members.

The Board of Directors, considers that given his knowledge, background & experience and contributions made by him during his tenure, the continued association of Mr. Mukul Gupta would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Mr. Mukul Gupta is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as director. In terms of Section 149 & other applicable provisions of the Act and SEBI LODR Regulations, as amended from time to time, Mr. Mukul Gupta, being eligible, is proposed to be re-appointed as an independent director, not liable to retire by rotation, for a second term of five (5) consecutive years on the Board of the Company up to March 31, 2026.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Mukul Gupta for the office of independent director of the Company.

The Company has also received declaration from Mr. Mukul Gupta that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations. In the opinion of the Board, Mr. Mukul Gupta fulfills the conditions for his appointment as an independent director of the Company as specified in the Act, the Rules made thereunder and the SEBI LODR Regulations and that he is independent of the management.

The details of Mr. Mukul Gupta as required under Regulation 36 of the SEBI LODR Regulations and Secretarial Standard - 2, as applicable, are provided in **Annexure - I** appended to this statement.

Save and except Mr. Mukul Gupta to whom the resolution relates, and his relatives (to the extent of their shareholding in the Company, if any), none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of this Notice. This statement may also be regarded as an appropriate disclosure under Regulation 36 of the SEBI LODR Regulations, Secretarial Standard - 2 and Schedule IV to the Act.

The Board of Directors recommends the resolution as set out at Item no. 4 of this notice for approval of the members of the Company by way of a Special Resolution.

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, has in its meeting held on June 29, 2020, approved the appointment of M/s. GT & Co., Cost Accountants, as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year 2020-21 at a remuneration of Rs.55,000/- (Rupees Fifty Five Thousand Only) (including out of pocket expenses as may be incurred in connection with the audit but excluding out of pocket expenses as may be incurred in connection with the outstation travels as per actuals) and Goods & Service Tax or other Govt. levies as may be applicable.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to the Cost Auditors shall be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee and the same shall be subsequently ratified by the members of the Company at a general body meeting. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2020-21.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of the Notice.

The Board of Directors recommends the resolution as set out at Item no. 5 of this notice for ratification by the members of the Company by way of an Ordinary Resolution.

By order of the Board
For Panacea Biotec Limited

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Place: New Delhi
Date: November 11, 2020

Annexure I to the Explanatory Statement of the Notice

Details of Directors retiring by rotation/seeking appointment or re-appointment at the ensuing AGM in respect of item nos. 2, 3, 4 and 5 to the Notice

[Pursuant to the provisions of SEBI LODR Regulations and Secretarial Standard - 2, as applicable]

Particulars	Mr. Soshil Kumar Jain	Mr. Shantanu Yeshwant Nalavadi	Mr. Mukul Gupta
Age	87 years	50 years	63 years
Qualification	Qualified Pharmacist	Chartered Accountant	Law graduate and holds a Bachelor Degree in Economics (Hons.)
Brief Resume/Professional Expertise	He has more than 63 years' experience in the pharmaceutical industry. He is the founder promoter & director of the Company and has been its Chairman since October, 1984. He started his career in the Indian pharmaceutical industry by joining his family business in the form of a chemist shop set up by his father. Prior to promoting Panacea Biotec, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products. He is involved in the strategic planning, vision and formulation of strategies for the Company.	He carries with him more than two and half decades of experience in banking and financial services. He is currently the Managing Director of India Resurgence Asset Management Business Private Limited (IndiaRF), a Piramal Enterprises Limited and Bain Capital Credit Partnership. Prior to that, he was the co-head of the structured investment group with Piramal Enterprises Ltd. ("Piramal SIG") and before that he was a Partner with New Silk Route Advisors Pvt. Ltd., a Private Equity Fund with over USD 850 million in AUM ("NSR PE"). His vast work tenure includes work experience with global MNCs as ANZ Grindlays Bank, Star TV and Walt Disney with P/L and business development responsibilities.	He is a Corporate Governance Expert having vast experience of more than 17 years as an Independent Director on the Board of Companies dealing in the field of Auto Components as well as Medicine & Vaccine. He is a member of Supreme Court Bar Association, New Delhi since 1985 as well as member of International Bar Association. He was also an Advisor to the Government of Uttar Pradesh on Goods & Service Tax issues. He was invited in June 2014 to hear his views by the Standing Committee on Finance of Lok Sabha considering the 115th Constitutional Amendment Bill and was again invited in June 2015 by the Select Committee of Rajya Sabha considering the 122nd Constitutional Amendment Bill which had opened the passage for implementation of Goods & Service Tax in India. He was also the Secretary General of 'All India Federation of Tax Practitioners' for 2008 & 2009 and was National Vice President of 'All India Federation of Tax Practitioners' for 2014 & 2015 and presently National Executive Member of 'All India Federation of Tax Practitioners'. He is awarded and recognized by various professional bodies at national and local level for outstanding achievements and contribution in the legal profession including recognition as speaker. He has been conferred with 'life time achievement award' by Ghaziabad Bar Association.
Terms and conditions of appointment/re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Soshil Kumar Jain who was re-appointed as Whole-time Director designated as Chairman w.e.f. April 01, 2019 in the current term, is liable to retire by rotation.	As per resolution at item no. 3 of the Notice convening this AGM read with explanatory statement thereto, Mr. Shantanu Yeshwant Nalavadi is proposed to be appointed as a director, not liable to retire by rotation.	As per the resolution at item no. 4 of the Notice convening this AGM read with explanatory statement thereto, Mr. Mukul Gupta is proposed to be re-appointed as an Independent Director.
Remuneration last drawn (including sitting fees, if any)	Rs.11.50 million during FY 2019-20	Nil	Sitting Fees of Rs.0.10 million during FY 2019-20
Remuneration proposed to be paid	As per existing approved terms and conditions	Nil	Sitting fees as applicable
Date of first appointment on the Board	February 02, 1984	December 10, 2019	April 01, 2016
Shareholding in the Company as on date	50,00,000 Equity Shares of Re.1 each, comprising 8.16% of total Equity Share Capital and 65,04,300, 0.5% Cumulative Non-Convertible & Non-Participating Redeemable Preference Shares of Rs.10/- each comprising 40.31% of total Preference Share Capital of the Company.	Nil	Nil
Relationship with other Directors/Key Managerial Personnel	He is related to Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain, directors of the Company	Not related to any Director/ Key Managerial Personnel.	Not related to any Director/ Key Managerial Personnel.
Number of Board Meetings attended during FY 2019-20	One (1)	Zero (0)	Two (2)
Directorships held in other Companies as on date	• PanEra Biotec Private Limited • Neophar Alipro Limited • Adveta Power Private Limited	• India Resurgence ARC Private Limited • Archean Chemical Industries Private Limited • Panacea Biotec Pharma Limited	Nil
Committee Membership / Chairmanship of other companies as on date	Nil	Nil	Nil

Panacea Biotec
Innovation in support of life

Putting lives at the forefront of science

ANNUAL REPORT 2019-20

Contents

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Safe Harbour Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about Company's future growth drivers, product development, market position and expenditures are forward looking statements. Forward looking statements are based on certain assumptions and expectations for future events. The Company may not guarantee that these assumptions and expectations are accurate and will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify, revise any forward-looking statements, on the basis of any subsequent developments, information and events.

Panacea Biotec
Innovation in support of life

Corporate Information

Board of Directors

Executive Directors

Mr. Soshil Kumar Jain - Chairman
Dr. Rajesh Jain - Managing Director
Mr. Sandeep Jain - Joint Managing Director
Mr. Ankesh Jain - Whole time Director

Non-Executive Directors

Mr. Ashwini Luthra
Mr. Bhupinder Singh
Mr. K. M. Lal
Mrs. Manjula Upadhyay
Mr. Mukul Gupta
Mr. N. N. Khamitkar
Mr. R. L. Narasimhan
Mr. Shantanu Yeshwant Nalavadi

Company Secretary

Mr. Vinod Goel - Group CFO and Head Legal & Company Secretary

Chief Financial Officer

Mr. Devender Gupta - Chief Financial Officer & Head Information Technology

Registered Office

Ambala - Chandigarh Highway
Lalru - 140 501, Punjab, India

Corporate Offices

- B-1 Extn./G-3, Mohan Co-operative Indl. Estate
  Mathura Road, New Delhi - 110 044, India
- B-1 Extn./A-27, Mohan Co-operative Indl. Estate
  Mathura Road, New Delhi - 110 044, India

Manufacturing Facilities

- Malpur, Baddi, Dist. Solan
  Himachal Pradesh - 173 205, India
- Ambala - Chandigarh Highway
  Lalru - 140 501, Punjab, India

R&D Centres

- B-1 Extn./A-24-25, Mohan Co-operative Indl. Estate
  Mathura Road, New Delhi -110 044, India
- Ambala - Chandigarh Highway
  Lalru - 140 501, Punjab, India

Sales & Marketing Office

7th floor, Sagar Tech Plaza, 'A' Wing, Saki Naka,
Andheri (East), Mumbai - 400 072, India

Statutory Auditors

M/s. Walker Chandiok & Co. LLP
Chartered Accountants, Gurugram, India

Secretarial Auditors

M/s. R&D Company Secretaries, Delhi, India

Cost Auditors

M/s. GT & Co., Cost Accountants, New Delhi, India

Registrar & Transfer Agents

M/s. Skyline Financial Services Private Limited
D-153 A, Ist Floor, Okhla Indl. Area, Phase-I
New Delhi - 110 020, India

Bank

- Axis Bank Limited
- IDBI Bank Limited
- State Bank of India

www.panaceabiotec.com
CIN: L33117PB1984PLC022350

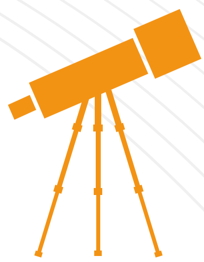
Information as on November 11, 2020

INNOVATE INTEGRATE MOTIVATE

We
Innovate to create Value

We
collaborate

We
enable Better Health to Live Well and Live Longer



We
are Pioneers

Panacea Biotec
Innovation in support of life

Panacea Biotec believes in giving a chance for **Better Health to Live Well and Live Longer**

10 billion+

Polio immunisations in developing countries

150 million+

Immunisations by innovative fully-liquid vaccines

36 million+

Patients treated by Gastro intestine franchise

33 million+

Patients being treated by Diabetes franchise

6.4 million+

Patients treated by Organ transplantation franchise

400,000+

Patients treated by Oncology franchise

Our Values

Mission

Innovation in Support of Life

Vision

Leading Health Management Company

Goal

To Meet Every Healthcare Need with a Panacea Biotec Brand and Service

Objective

Take Ideas from Grey Cell to Markets in a Proactive Manner

Innovation

- A process which transforms business ideas to marketable products
- Bringing together different functions of the organisation like marketing, finance, R&D, manufacturing to meet a common goal
- A 'way of life' in every activity, from administration to innovation
- To challenge every process & solution to discover ways to make them better
- Intolerance towards stability, encouraging continuous change
- Thinking about the impossible and discovering ways to execute it
- Deep rooted and sustainable change and superficial efforts

Integrity

- Honesty
- Ethical practices
- Transparent and clear communication
- Always learning & improving

Pioneer

- Striving for leadership in every activity and to become the guiding star
- Having a vision of the future and succeed in reaching there before anyone else
- Persevere in owning innovation and be the first mover in the market
- Empowering people to speed up the organisation growth
- Always embracing new technology and processes
- Confidence to stand apart from competitive organisations

Humane

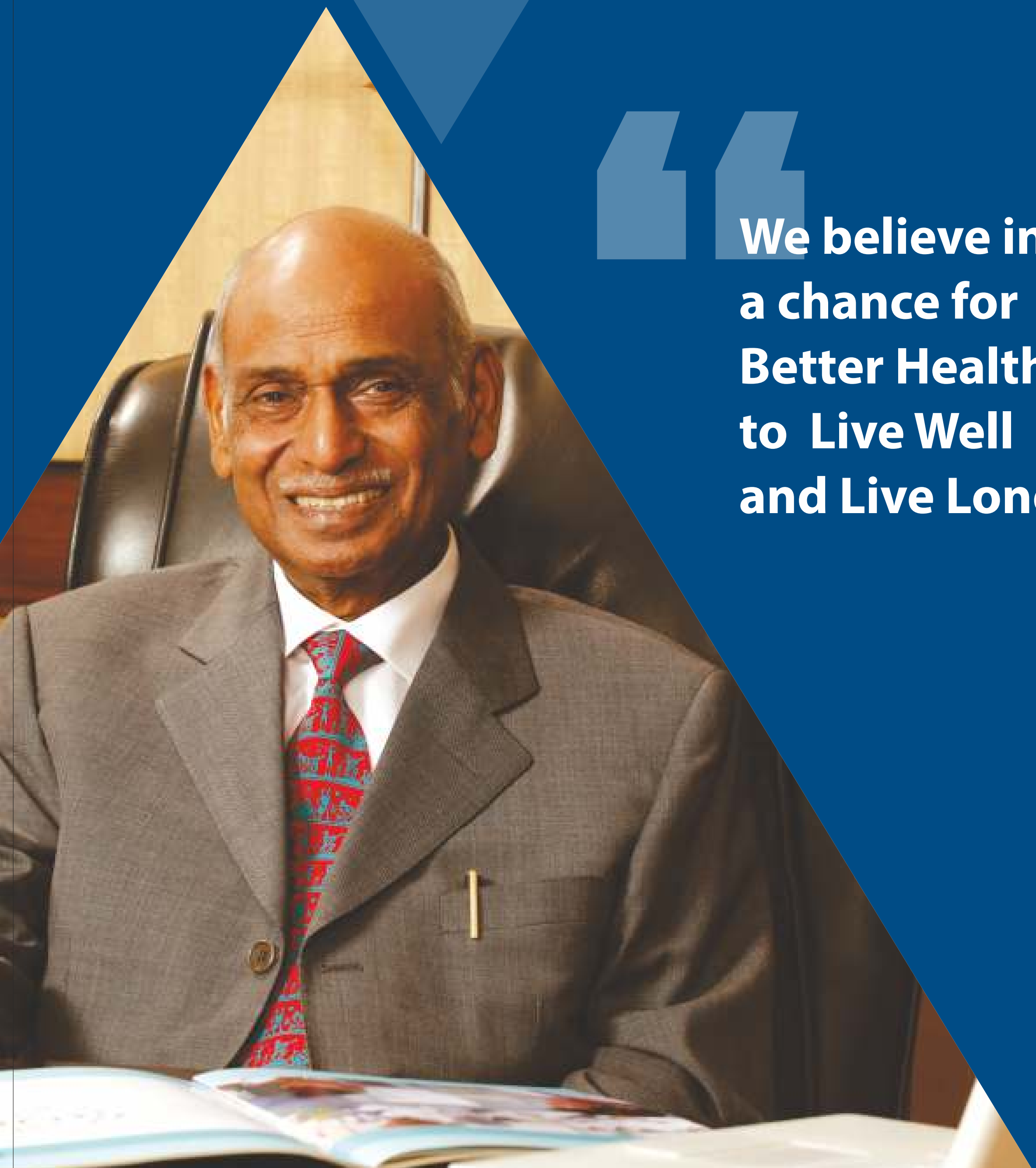
- Humility to respect all individuals
- Care for individuals and environment
- Placing betterment of people (external and internal) at the core of each activity
- Core of new developments

Financial Highlights

Particulars	2019-20*#		2018-19*	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
	(Rs. in million)	USD million**	(Rs. in million)								
Financial Performance Summary											
Net Turnover	4,828.19	63.91	4,397.31	5,597.54	5,219.10	6,196.46	6,432.23	4,671.40	5,304.20	6,883.80	11,304.60
Total Income	5,335.83	70.63	4,522.83	5,951.70	5,976.89	6,724.56	7,072.52	5,146.66	6,013.50	7,080.43	11,655.12
EBITDA##	539.58	7.14	(1,384.86)	990.41	1,231.49	1,380.70	955.69	(805.90)	(786.61)	(864.50)	2,843.50
PBT	(1,359.71)	(18.00)	371.78	(612.34)	(840.43)	14.00	(633.41)	(4.16)	(2,506.30)	(2,629.47)	1,554.90
PAT	(1,530.70)	(20.26)	265.70	(718.76)	(726.61)	8.73	(652.29)	(4.16)	(2,301.30)	(2,077.87)	1,350.50
Total comprehensive income for the year	(1,518.41)	(20.10)	259.19	(732.92)	(734.29)	-	-	-	-	-	-
Equity Share Capital	61.25	0.81	61.25	61.25	61.25	61.25	61.25	61.25	61.25	61.25	61.25
Reserves & Surplus/ Other Equity$	8,866.08	117.35	4,123.47	3,819.72	4,496.95	5,339.05	5,335.81	5,561.59	5,551.30	8,079.60	6,306.80
Shareholders' Funds	8,927.33	118.16	4,184.72	3,880.97	4,558.20	5,400.30	5,397.06	5,622.84	5,612.55	8,140.85	6,368.05
Total Liabilities	11,384.88	150.69	14,420.35	16,734.88	17,817.51	18,074.30	18,792.32	18,864.62	16,798.20	18,528.80	17,177.94
Net Fixed Assets	5,667.47	75.02	8,232.42	9,280.89	9,696.98	10,065.88	10,766.59	11,120.27	9,864.10	10,483.66	6,523.60
Total Assets	11,384.88	150.69	14,420.35	16,734.89	17,817.51	18,074.30	18,792.32	18,864.62	16,798.20	18,528.80	17,177.94
Key Performance Indicators											
Profitability Ratios											
EBITDA Margin (%)	11.18	0.15	(31.49)	17.69	23.60	22.28	14.86	(17.25)	(14.83)	(12.56)	25.15
PBT Margin (%)	(28.16)	(0.37)	8.45	(10.94)	(16.10)	0.23	(9.85)	(0.09)	(47.25)	(38.20)	13.75
PAT Margin (%)	(31.70)	(0.42)	6.04	(12.84)	(13.92)	0.14	(10.14)	(0.09)	(43.39)	(30.18)	11.95
Shareholders Related Ratios											
Equity Dividend	-	-	-	-	-	-	-	-	-		75%
EPS (Basic & Diluted)*** (In Rs.)	(24.99)	(0.33)	4.34	(11.73)	(11.86)	0.14	(10.65)	(0.07)	(37.57)	(33.92)	21.35

* Figures are as per Indian Accounting Standard (Ind AS)
# Include figures for the discontinued operations
Includes other income
** 1 USD= INR 75.55 as on 31.03.2020
*** Per Equity Share of Re.1 each
$ Including preference share capital
Note: Figures in brackets are negative numbers

Pharmaceutical Formulations Facility, Baddi, Himachal Pradesh



"We believe in giving a chance for Better Health to Live Well and Live Longer"

CHAIRMAN'S MESSAGE

Dear Stakeholders

Science expands our understanding, makes the impossible possible, and helps us build the future we want for all people. We, at Panacea Biotec, have always believed in the power of science in transforming people's lives. For us, human lives are at the forefront of whatever we do, starting from developing vaccines that has put us on the brink of eradicating Polio from the world to protecting human lives from chronic diseases such as kidney failure, cancer, diabetes and cardio vascular diseases etc. We are working continuously in generating treatments, cures and vaccines to tackle the world's most devastating diseases. Thanks to continued investment in science and technology, Panacea Biotec is on course of developing many more preventive and curative therapies for saving human lives.

I am pleased to share that Panacea Biotec has successfully raised an amount of Rs.7,750 million by way of issue of Share Warrants and Non-Convertible Debentures to India Resurgence Fund ("IndiaRF") (promoted by Piramal Enterprises Limited and Bain Capital Credit) and Piramal Enterprises Limited and has paid all its debts to the consortium lenders. We are really delighted with our continued partnership with IndiaRF, at this critical juncture in Panacea Biotec's journey towards growth. Mr. Shantanu Yeshwant Nalavadi, Managing Director of IndiaRF has been appointed on the Board of the Company w.e.f. December 10, 2019. We look forward to leveraging their proven global expertise in turnarounds, and are certain that our combined efforts will now help accelerate our future growth and profitability.

The Company's mission of becoming the world's leading biotechnology company offering widest range of innovative products and services to meet every healthcare need of mankind remains intact. To achieve this, we have taken several innovative measures such as consolidation and merger of our various business units to integrate efforts and optimize productivity, greater focus on R&D in priority areas, several involvements in field force motivation, developing & commercializing best-in-class medicines, expanding our business operations in developed and emerging markets and segregation of different businesses of the Company to ensure smooth functioning of each business in the future.

The Company has completed transfer of its pharmaceutical formulations business to its wholly owned subsidiary viz. Panacea Biotec Pharma Limited ("Panacea Biotec Pharma") by way of slump sale on going concern basis with effect from February 01, 2020.

During the current financial year, pursuant to the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench dated September 09, 2020 sanctioning the Scheme of Arrangement, the demerger of real estate business into the Company's then wholly owned subsidiary, Ravinder Heights Limited has been completed, effective from September 10, 2020.

Panacea Biotec continues its focus on vaccines as a core therapy segment and believes in its purpose of rendering long term protection from preventable diseases. Innovation has proven to be the backbone for Panacea Biotec, which helped Vaccines business to outperform in the therapeutic category. The Company's innovative fully-liquid hexavalent Vaccine EasySix™ (DTwP-HepB-Hib-IPV) is one of the most consistent successes for Panacea Biotec in the Indian Vaccine Industry. As per AIOCD AWACS (MAT March 2020) sales data, EasySix™ has become the market leader in hexavalent vaccine market in India with 130th rank (jumped from 204th rank last year) and features among the Top 150 brands in Indian Pharmaceutical Market.

As a part of the long-term growth strategy, we are now expanding sales of hexavalent vaccine EasySix™ in India and have initiated registrations in international markets with having received marketing authorization in two countries. We also have in our pipeline of innovative vaccines including Pneumococcal Conjugate Vaccine,

CHAIRMAN'S MESSAGE

Recombinant Tetravalent Dengue Candidate Vaccine - DengiAll™ and Typhoid Conjugate Vaccine. During the current financial year, the Company has successfully completed Phase I/II clinical trials of Pneumococcal Conjugate Vaccine (Nucovac) and Recombinant Tetravalent Dengue Candidate vaccine (DengiAll™) in India. The Company will be undertaking further development of these vaccine in due course.

Panacea Biotec has an established business of pharmaceutical formulations in India (recently transferred to Panacea Biotec Pharma) and exports its products to over 30 countries worldwide including USA, Germany, Russian Federation etc. The process of getting the product registration / marketing authorisation with respect to the international business transferred to Panacea Biotec Pharma is currently in progress out of which product registration / marketing authorization for key products in key markets has already been received.

Panacea Biotec Pharma has attained 14th position in its represented Therapeutic Market and is also amongst the Top 60 Pharmaceutical Companies catering Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2020) sales data.

During the year ended March 31, 2020, the vaccines business registered a turnover of Rs.1,404 million with a growth of around 46%. The pharmaceutical formulations business registered a turnover of Rs.3,316 million. The Company's total export revenue has also grown by 31% to Rs.1,115 million with exports to US market having grown by 56% and the Rest of World (ROW) markets having grown by 23%.

During the year ended March 31, 2020, the Group has registered consolidated revenue from operations of Rs.5,441 million, registering an increase of ~19%. The Company's consolidated loss before tax and exceptional items has significantly decreased to Rs.1,619 million from Rs.2,878 million during previous financial year. The Company's consolidated loss after tax (before exceptional items) has also significantly reduced to Rs.1,789 million from Rs.2,963 million during previous financial year.

The Company has in place a detailed strategic plan to achieve significant growth in near-term, medium-term and long-term. The key growth drivers would include scaling up of the existing products and launch of new products and penetrating into newer markets in both vaccines and pharmaceutical formulations business.

The Covid-19 pandemic has not just impacted the economic activities but also the ongoing immunization activities in India and across the globe. However, this pandemic has only strengthened our resolve, our motivation now is at its peak and we are ready to bounce back with the launch of new vaccines and pharmaceutical products in India as well as international markets. We, at Panacea Biotec, continue our efforts to make a significant difference in lives of people everywhere through its affordable innovations. It works closely towards the development of society, in line with its philosophy of creating happier and healthier society. We continue to be committed to grow the Company's business building on its strong foundation and executing its pipeline of products.

Although the future is full of unlimited possibilities for us, as an organization we have to innovate, integrate our efforts and organizational capabilities and continuously motivate to outperform. Let's all gear up and prepare for the better days ahead which is not very far away.

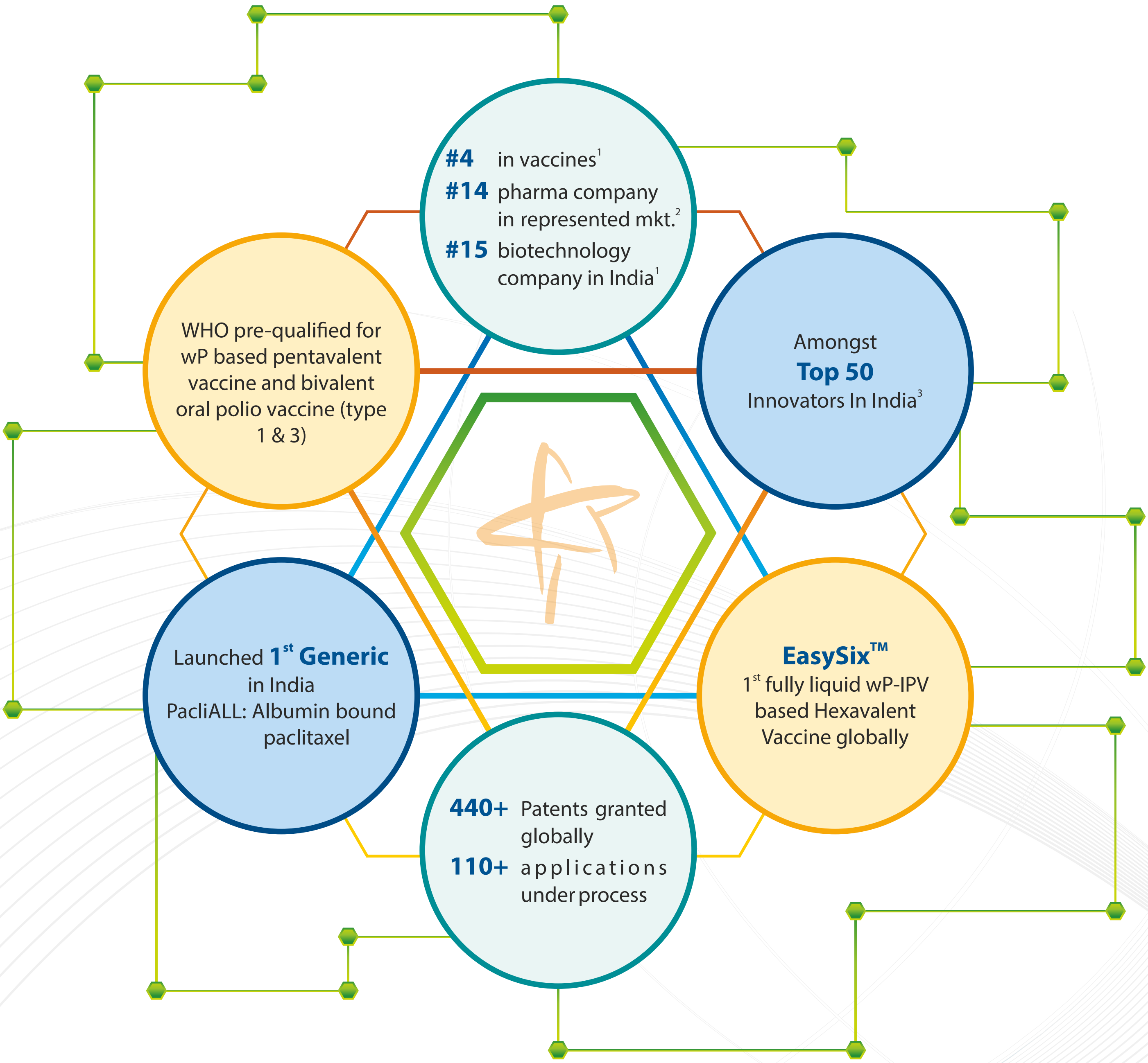
With these words, I express my sincere thanks to all our stakeholders, lenders, banks, employees, customers, vendors, and other business associates for their unbroken support, participation and guidance which we continue to count on as we forge ahead towards our destination.

Best wishes

Soshil Kumar Jain

Panacea Biotec at a Glance

A leading research based pharmaceutical & biotechnology Company and pioneer in development of vaccines and pharmaceutical formulations with established brand equity of over three decades.



1. Biospectrum KPMG Survey October 2016. 2. AIOCD AWACS MAT MARCH 2020. 3. Innovation Awards 2016 by Clarivative Analytics.

Panacea Biotec
Innovation in support of life

Key Strengths

Strong Product Portfolio with significant brand market share in respective therapeutic segment

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Established R&D capabilities with multi-disciplinary Research & Development Center

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Robust product pipeline of promising niche products to fuel long-term future growth

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State of the art manufacturing facilities – cGMP compliant and USFDA approved

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Extensive sales and distribution network providing end to end visibility

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Growing collaborations and alliances with renowned National and International bodies

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Highly experienced Promoters and Senior Management Team

Global Footprint Significant focus on exports

Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Vaccine Market

The global vaccine market is relatively small when compared with the global pharmaceutical market. The global vaccine market is concentrated on both supply and demand sides. It is a highly regulated industry which is mainly dependent upon government purchasing and policies of the donors and the multilateral agencies involved in approval, procurement and supply of the vaccines. According to different industry estimates, the global vaccine market was estimated at ~US$42 billion in 2019 and is expected to grow at a CAGR of 7% to reach ~US$58 billion by end of 2024. This growth is expected as a result of several factors including increasing availability and supply of vaccines across the globe, increasing focus of governments to expand the coverage of vaccination under the national immunization programs, development of Covid-19 vaccines and vaccines becoming more and more affordable due to increasing competition etc.

Indian Vaccine Market

India is one of the leading producers and suppliers of vaccines globally. The Indian vaccine industry has been instrumental in facilitating cost effective vaccination in India and also export of vaccines to majority of the countries across the world. India has emerged as a global vaccine manufacturing hub and currently, more than two thirds of the total volume of the vaccines manufactured in India is exported while the rest is utilized in India.

The Indian vaccine market was estimated at around Rs.95 billion during year 2019. Based on the future growth prospects, the Indian vaccine market is expected to further grow at a CAGR of ~15-18% to reach a size of Rs.256 billion by 2025.

The Indian vaccine market has registered significant growth in recent years due to several factors including technical advancements, improved storage facilities with cold chain maintenance, increased production capacity, increased government support in research and development through different agencies and increasing awareness among the consumers.

Impact of Covid-19 pandemic

The Covid-19 pandemic has not just impacted the ongoing immunization activities in India but across the globe as a result of which Universal Immunization Program has been severely affected due to imposition of the strict lock-downs in several countries. With the recent relaxations allowed by governments, the immunization activities have once again started picking up. According to the surveys conducted by UNICEF and WHO, the COVID-19 pandemic has resulted in major disruptions to health services that threaten to undo decades of hard-won progress. Out of the 77 countries surveyed by UNICEF, it was found that almost 68% of countries reported at least some disruption in health checks for children and immunization services. However, launch of several Covid-19 vaccines currently under different phase of development shall bring the focus back on immunisation.

Global Pharmaceutical Market

The global pharmaceutical market has experienced significant growth in recent years. As per industry estimates, the global pharmaceutical market is estimated at about US$ 1.25-1.3 trillion and is expected to reach US$ 1.5-1.6 trillion by 2024-25 growing at a CAGR of around 4-6%. While, the developed world markets are expected to grow at a lower CAGR of 2-5%, the pharmerging markets are expected to grow at a higher CAGR of 5-8% during this period.

The future growth will be driven by rise in prevalence of chronic diseases, expansion of healthcare accessibility, growing needs of aging population, focus shift to newer specialties and healthcare related reforms by governments. However, the industry is expected to face challenges on account of increasing pricing pressure from entry of more and more generics in the coming years.

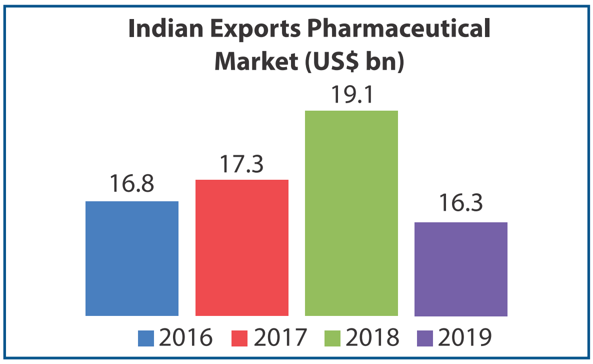
Indian Pharmaceutical Market

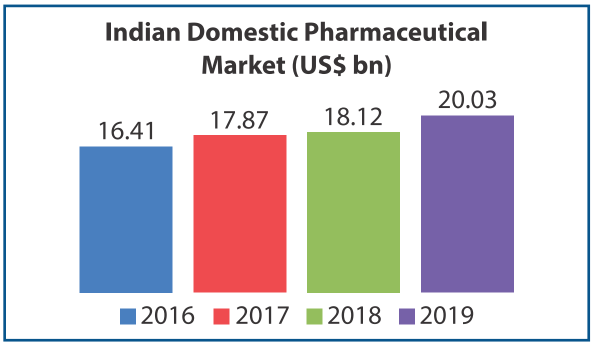
India occupies an important position in the global pharmaceuticals industry. The country has a large number of manufacturing companies with state-of-the-art manufacturing facilities meeting international standards, large pool of scientists and engineers with a potential to steer the industry in future to further greater heights. India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the USA and 25% of all medicines in the UK.

The domestic pharmaceutical market in India was estimated at ~US$ 20 billion in 2019 registering growth of ~9.8% over 2018 during which the market was estimated at ~US$ 18 billion. The export of pharmaceuticals from India is also estimated to be ~US$ 16 billion during financial year 2020. The Indian pharmaceutical sector is expected to grow to US$ 100 billion by 2025.

The Govt. of India plans to set up a fund of nearly Rs.1 lakh crore

(US$ 1.3 billion) to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.





PANACEA BIOTEC BUSINESS SEGMENTS

VACCINES BUSINESS

Panacea Biotec continues its focus on vaccines as a core therapy segment & believe in its purpose of rendering long term protection from preventable diseases. The Company has pioneered in the development of wP based fully liquid combination vaccines and has launched world's first fully liquid wP-IPV based hexavalent vaccine EasySix™ (Diphtheria, Wholecell Pertussis, Tetanus, Hepatitis B, Hib and IPV) in India in March 2017.

The Company's product portfolio includes highly innovative vaccines that include fully liquid Hexavalent Vaccine, EasySix™ vaccine (DTwP-HepB-Hib-IPV), fully liquid Easyfour-TT (DTwP-Hib), WHO prequalified fully liquid pentavalent vaccine Easyfive-TT (DTwP-HepB-Hib) and Bivalent Poliomyelitis Vaccine (Type 1 & 3), Live (Oral) (bOPV) etc.

Panacea Biotec has played a pivotal role in eradication of polio disease from India and many other countries by having supplied over 10 billion doses of OPV to UNICEF/Govt. of India/Pan American Health Organisation (PAHO) etc. in the last 2 decades. During the year, the revenues from vaccines business has been Rs.1,404.00 million with a growth of 46% over financial year 2018-19.

As a part of the long-term growth strategy, the Company is now expanding its sales of hexavalent vaccine EasySix™ in India and has initiated registrations in international markets with having received marketing authorization in two countries.

Panacea Biotec has a pipeline of innovative vaccines including Pneumococcal Conjugate Vaccine, Recombinant Tetravalent Dengue Candidate Vaccine - DengiAll™ and Typhoid Conjugate Vaccine. During the current financial year, the Company has successfully completed Phase I/II clinical trials of Pneumococcal Conjugate Vaccine (Nucovac) and Recombinant Tetravalent Dengue Candidate vaccine (DengiAll™) in India. The Company will be undertaking further development of these vaccine in due course.

Domestic Vaccines Business

The Company's domestic vaccine business is managed by Panacea Vaccines SBU. Panacea Vaccine has registered a strong y-o-y growth of 38% as per AIOCD AWACS (MAT March 2020) sales data and has consistently improved its rank and market share in Vaccine therapeutic category since last three years.

Panacea Biotec continues to protect thousands of infants across India from diseases that could otherwise be life threatening. The SBU has expanded its reach to nearly around 15,000 pediatricians spread across India with a field force strength of about 130. Panacea Vaccines SBU has improved its market ranking to No. 2 in its covered market as per AIOCD AWACS (MAT March 2020) sales data.

Innovation has proven to be the backbone for Panacea Biotec, which helped Vaccines business to outperform in the therapeutic category. The Company's innovative Vaccine brand EasySix™ is one of the most consistent successes for Panacea Biotec in the Indian Vaccine Industry. As per AIOCD AWACS (MAT March 2020) unit sales data, EasySix™ became the market leader in hexavalent vaccine market in India and is expected to maintain its market leader position with constant focus on customer coverage, focused marketing campaigns and a strong supply chain.

From 204th rank last year, EasySix™ has jumped to 130th rank and features among the Top 150 brands in Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2020) sales data.

The other key brands in the SBU's brand portfolio includes Easyfive-TT, Easyfour-TT and Bi-OPV (Bivalent Oral Polio Vaccine). Panacea Vaccines SBU is the only vaccine SBU which has the wP based fully liquid tetravalent, pentavalent & hexavalent vaccines in India.

International Vaccines Business

Panacea Biotec supplies its vaccines to UNICEF, PAHO & other governments of several countries and also sells in the private market through tie-ups with established industry players in various countries. The Company has registered its vaccines in around 16 countries with further registrations in around 9 countries expected in the near future. The Company is targeting to enter emerging markets with sizeable birth cohort (3-5 mn) to expand business.

Panacea Biotec is supporting global cause of providing affordable vaccines to the children across the globe. The Company is a member of Developing Countries Vaccine Manufacturers Network (DCVMN), a public health driven international alliance of manufacturers and shares common vision and mission of combating infectious diseases and accelerating access to affordable high-quality vaccines.

PHARMACEUTICAL FORMULATIONS BUSINESS

Panacea Biotec has an established business of pharmaceutical formulations in India and exports its products to over 30 countries worldwide including the USA, Germany, Russian Federation, Turkey, Bosnia, Tanzania, Kenya, Serbia, Vietnam, Philippines, Sri Lanka, Panama, Ecuador, Trinidad & Tobago, etc.

During the year under review, the Company has transferred its pharmaceutical formulations business including related research & development and natural products extraction activities at Lalru to its wholly owned subsidiary viz. Panacea Biotec Pharma Limited ("Panacea Biotec Pharma") by way of slump sale on going concern basis with effect from February 1, 2020. The process of getting the product registration / marketing authorisation with respect to the international business transferred to Panacea Biotec Pharma is currently in progress out of which product registration / marketing authorization for key products in key markets has already been received.

Domestic Pharmaceutical Business

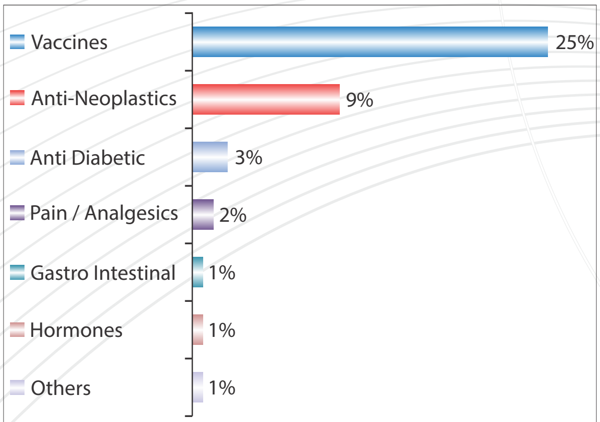
Panacea Biotec Pharma has leading brands in therapeutic areas such as Organ Transplantation, Diabetes Management, Pain, Cough & Cold and Gastroenterology and has a significant presence in Osteoporosis and Oncology therapies in Indian Pharmaceutical Market.

Panacea Biotec Pharma has attained 14th position in its represented Therapeutic Market and is also amongst the Top 60 Pharmaceutical Companies catering Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2020) sales data.

During the year, performance was boosted by continued product supply and high performance of key brands. For the coming year, Panacea Biotec Pharma has taken more strategic initiatives for all SBUs and expects further improved performance in the business.

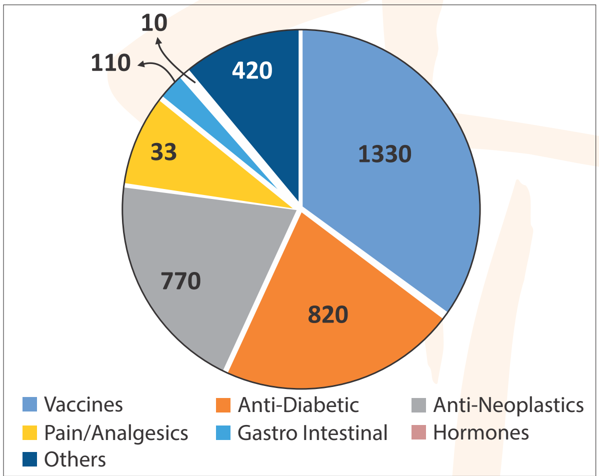
The pharmaceutical formulations business in India has been structured among 4 Strategic Business Units (SBUs) - 2 SBUs for Super-Specialty Business as "Transplantation & Immunology" and "OncoTrust" whereas other 2 SBUs for Acute & Chronic Care Business namely "Diacar Alpha" and "Procare".

As per AIOCD AWACS (MAT March 2020) sales data, therapeutic category wise Company's market share in respective represented market and sales in Indian market including vaccines is graphically represented below:



Panacea Biotec Market Share (%) In Therapy CVM

Panacea Biotec Pharma's leading brands are well recognized and respected by the medical fraternity and command significant market share in their respective represented market. As per the AIOCD AWACS (MAT March 2020) Sales Data, the Company's top selling brands viz., PanGraf, Alphadol, Fosbait, Cilamin and Livoluk Fibre were ranked number 1



Therapy Wise Sale (Rs. million) in CVM

(Source: AIOCD AWACS MAT March'20 Sales data)

whereas Glizid, Glizid-M, Glizid-MV, Mycept, Mycept-S, Sitcom, Kondro and Nimulid were amongst the top 5 brands in their respective markets.

As per the AIOCD AWACS (MAT March 2020) sales data, Panacea Biotec Pharma's rank in respective therapeutic category represented markets in India is as follows:

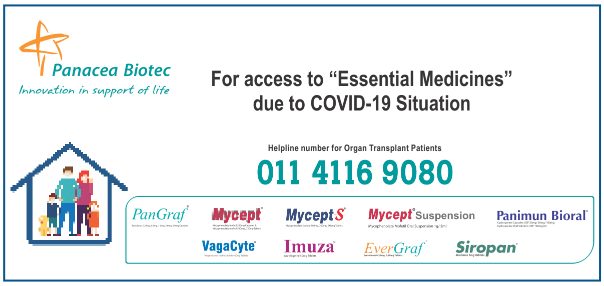
Therapeutic Category	Rank in CVM
PBL Rank in RPM	**14**
Anti-Neoplastics	12
Anti-Diabetic	10
Gastro Intestinal	15
Pain / Analgesics	11
Blood Related	13

The revenues were well balanced between acute and chronic therapies. Key brands across these therapies continued to perform in the market and many of the brands maintained leading position in their respective markets.

Brand	Covered Market (CVM)	Brand Rank in CVM
PanGraf	Tacrolimus	1
Alphadol	Alfacalcidol	1
Fosbait	Lanthanum Carbonate	1
Cilamin	Penicillamine	1
Livoluk Fibre	Lactulose + Ispaghula	1
Mycept	Mycophenolate Mofetil	2
Sitcom Tab	Varicose Therapy, Systemic (Haemorrhoids/ Piles management)	2
Sitcom LD Cream	Varicose Therapy, Topical (Haemorrhoids/ Piles management)	2
Nimulid	Nimesulide	2
Glizid-M	Gliclazide + Metformin	3
Mycept-S	Mycophenolate Mofetil	3
Glizid-MV	Voglibose + Metformin + Gliclazide	3
Glizid	Gliclazide	4
Kondro Acute	Glucosamine + Diacerein	4
Kondro	Glucosamine	4

Transplant & Immunology SBU

India has performed the second largest number of transplants in the world in 2019 (after United States), however it still lags far behind the western nations like Spain (35.1 pmp), United States (21.9 pmp) and United Kingdom (15.5 pmp) in national donation with a donation rate of only 0.65 per million population (2019) its huge population. According to the World Health Organization, only around 0.01 percent of people in India donate their organs after death. Some of the reasons behind such poor performance are lack of public awareness, religious or superstitious beliefs among people and strict laws. It is estimated that there is a need of approx. 200,000 kidneys, 50,000 livers and 50,000 hearts for transplantation per year whereas only 7,000 people undergo kidney transplant, 1,100 undergo a liver transplant and only 100 undergo heart transplant.



Transplant & Immunology SBU has been supporting Transplant Recipients with a goal to enhance awareness for deceased organ donation in the society, thus laying a foundation of holistic well-being across the nation. The endeavor of this SBU has been to provide high-quality medicines at an affordable cost thereby improving the quality of life of transplant recipients. The Transplant SBU has been supporting the clinicians and the patients from last 27 years and over 35,000 patients are successfully consuming the Company's high-quality brands. The SBU has launched a dedicated helpline to help patients getting access to critical medicines during the Covid-19 pandemic situation.

Panacea Biotec has always believed in putting "Patients Interest First" & has ensured that every drug is developed in line with Global Quality Standards.

The main brands of the SBU viz. PanGraf, Panimun Bioral & Alphadol continue to maintain leadership position in their respective covered markets, as per the AIOCD AWACS (MAT March 2020) sales data. PanGraf has maintained its leadership position in Tacrolimus market in India since more than a decade with around 66% market share as per AIOCD AWACS (MAT March 2020) sales data, while in the Mycophenolate market, Mycept & Mycept-S have been ranked as number-2 brands. Transplant SBU had launched Mycept Suspension (India's 1st Mycophenolate Mofetil Oral Suspension) in August, 2019 which has further strengthened the immuno-suppressant portfolio.

OncoTrust SBU

Panacea Biotec was the first Indian Company to launch PacliALL a brand of Nab-Paclitaxel, for the management of Breast Cancer. PacliALL, the flagship brand of the Company, which was awarded with Brand of the Year Award 2011 by Bio-Spectrum (Now Clarivate Analytics), continues to be No.1 brand in nab-paclitaxel market and has saved the lives of more than 14,000 patients till now, and is one of the most admired brands for the treatment of breast cancer.

The other major brands of the SBU include AZAFAB (Azacitidine), BorteTrust (Bortezomib), DoceTrust (Docetaxel Trihydrate), Pexetrust (Pemetrexed Disodium), GemTrust (Gemcitabine hydrochloride) and other cytotoxic injections.

During the current year, the Company has launched, Dasatinib, a chemotherapy drug sold under the brand name DASAPAN which is a targeted therapy used to treat certain cases of chronic myelogenous leukemia and acute lymphoblastic leukemia.

Diacar Alpha SBU

The Indian Diabetes Market is valued at around Rs.140.6 billion as per AIOCD MAT March 2020. India is home to an estimated 77 million diabetics, making it the second most affected country in the world after China. International Diabetes Federation (IDF) estimates Indian diabetics population to increase to 134 million over the next 25 years. The growing burden of Diabetes makes it one of the most common risk factor for all-cause morbidity & mortality. Diabetes related complications affect the most common vital organs like Heart, Brain, Kidneys, Eyes and Nerves. The alarming rise in Diabetes is majorly attributed to low activity lifestyle, stress, obesity & consumption of processed foods.

Increased awareness, detection and diagnosis is imperative in the management of growing pre-diabetes & diabetes population. This awareness and treatment focus will be a major driving force for the Indian Diabetes Drug Market.

The Diacar Alpha SBU with a dedicated marketing and sales team of more than 330 people, has been focusing on improving the awareness, screening and detection for diabetes & related complications. During the year, Diacar Alpha SBU has conducted more than 450 A1C camps, 9,000 DDC camps & 16,000 OPD camps by touching over 1,00,000 patients through its "SURAKSHA" initiative. This continuous service orientation has given your company a strong foothold in the fiercely competitive anti-diabetic market.

Diacar Alpha SBU focuses on key specialties such as Endocrinologists, Diabetologists, Cardiologists and Physicians. Product range of Diacar Alpha SBU ranges from catering to first line therapy in diabetes management with its brand Metlong (Metformin) to a second line treatment option of a Sulphonyl Urea – Glizid (Gliclazide) and DPP4 - inhibitors - ViLACT (Vildagliptin), Tenepan (Teneligliptin) along with supportive therapies in management of Diabetic Neuropathy with its Myelogen range. The Diacar Alpha SBU stands strong and committed to provide quality life years to the diabetic population.

The flagship brands of Diacar Alpha SBU, viz. Glizid-M, Glizid and Glizid-MV are amongst top 5 brands in its respective market segment. Recently launched brands ViLACT (Vildagliptin) and ViLACT-M (Vildagliptin + Metformin) are gaining momentum in the fierce generic market.

Procare SBU

Procare SBU continues to focus in the acute and chronic care segment having increasing incidence of chronic disorders such as osteoarthritis and osteoporosis alongside lifestyle acute disorders like piles, constipation and acid peptic disorders through its established brands and engagement with Consulting Physicians, Orthopedic, Gastroenterologists and General Surgeons.

The Procare SBU has established its flagship brands Sitcom, Livoluk and Kondro amongst the top 5 brands in their respective represented market as per the AIOCD AWACS (MAT March 2020) sales data.

Apart from flagship brand of Sitcom (Euphorbia Prostrata) and Sitcom-LD Cream, the SBU has anti-inflammatory and muscle relaxant products including Willgo CR (Aceclofenac 200mg SR), Willgo P (Aceclofenac 100mg, Paracetamol 325mg), Willgo TH4 & Willgo TH8 (Aceclofenac & Thiocolchicoside Tablets) and Willgo SP (Aceclofenac 100mg, Serratiopeptidase 15mg as enteric coated granules and Paracetamol 325mg) and osteoarthritis range with Kondro OD (glucosamine 1500mg), Kondro Acute (glucosamine 1500mg + diacerin 15mg) and Kondroflex (glucosamine 1500mg + collagen peptides 10gm + vitamin c 35mg) intended for Pain Management in patients suffering with Rheumatoid Arthritis and Arthritis.

International Pharmaceutical Business

The Company exports its pharmaceutical formulations in around 30 countries including USA, Germany, Russian Federation, Turkey, Bosnia, Tanzania, Kenya, Serbia, Vietnam, Philippines, Sri Lanka, Panama, Ecuador, Trinidad & Tobago etc. Panacea Biotec continuously takes steps to strengthen and grow its exports in the coming years including building a strong portfolio, strengthening marketing team, entering into newer markets, identifying strong distributor and marketing partners into newer regions and registering products in more countries as well as strengthening existing relationships with the partners. The Company has further continued its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets in several countries. Simultaneously, the Company has consolidated its international pharmaceutical business by eliminating loss making products, markets etc.

During the year, the export revenues have grown by 31% to Rs.1,115.18 million from Rs.848.80 million during previous financial year. The exports to US market have grown by 56% and the Rest of World (ROW) markets have grown by 23% during financial year 2019-20.

The Company has entered into a tripartite agreement with Natco Pharma Ltd. and Breckenridge Pharmaceutical Inc., USA for manufacturing and supply of Azacitidine Injection for the

From India to the World, our people work in a **flexible structure** to deliver effective operations, to meet the **affordability war-cry**, to provide **innovative solutions for challenges** in patient care while maintaining **ever-evolving quality standards**

Effective structure and operational performance

- Integrated Research and Development
- More ideas per ft^2

Product basket based on evolving medical needs

- Niche, difficult-to-develop products
- Putting Patient Interest First for sustainable brand building
- Diversified into private and public markets

Growing global presence

- Collaborations and partnerships to drive commercialisation of products efficiently

Panacea Biotec's global presence powered through its hub in India

US market under Breckenridge's already-approved ANDA (the generic equivalent of Vidaza® marketed by Celgene Corp, US). The Company has received USFDA approval for this product and has launched the same in USA during financial year 2019-20 through Breckenridge.

The Company's Abbreviated New Drug Application (ANDA) submitted under section 505(j) of the Federal Food, Drug & Cosmetics Act (FD&C Act) for Paclitaxel Protein bound particles for Injectable Suspension 100mg/vial had been accepted for filing by the USFDA and the approval is in process. In addition, the approval process for other ANDAs filed earlier with the USFDA is in progress. Panacea Biotec Pharma plans to launch these products in US, Europe, etc. through strategic collaborations with leading pharmaceutical companies.

Panacea Biotec Pharma continues to focus on building a robust pipeline of several products for filing in several other emerging markets which it will be filing in the next 1-2 years to further strengthen its export portfolio and grow export sales.

Supply Chain Management & Logistics Network

Panacea Biotec has a well-established Supply Chain Management (SCM) system designed for creating end-to-end visibility and controls right from sourcing of materials till collection of receivables for both the pharmaceuticals and vaccines products.

Panacea Biotec has a strong logistics network comprising of 2 Central Warehouse (1 each for vaccines and pharmaceutical formulations) and 25 Sales Depots/Carrying & Forwarding Agents (CFAs) (comprising of Pharma Sales Depots/CFAs & Vaccine AVDs). Product availability across India is done through vast distributor network of around 1,500 distributors for pharmaceutical formulations and around 385 distributors for vaccines. The logistics network relating to pharmaceutical formulations business is being managed by Panacea Biotec Pharma w.e.f. February 1, 2020.

The Company has got expertise in cold chain management for storage and distribution of vaccines under controlled conditions using a system of Vaccine Vial Monitors (VVMs), data loggers, ice boxes, coolant, cold rooms, refrigerated vehicles and Tyvek sheet for sending temperature controlled products overseas and across India directly from its Vaccine Formulation Facility at Baddi, H.P. This ensures that the Vaccines remain safe and effective against changes in the variant temperature conditions during transit. The SCM team is committed to ensure timely availability of Company's products to its business partners and patients.

Panacea Biotec has a well-established Track and Trace system and documentation quality to ensure that goods reach destination timely and to avoid demurrage and detention charges. Panacea Biotec has optimized raw material, packaging material, finished good inventory to achieve maximum inventory turn and to minimize expiry. The Company is continuously providing training to SCM team on good distribution practices to meet emerging requirements of domestic and international markets. The Company collaborated & appointed world class logistics providers with proven record of timely delivery of goods in important markets.

MANUFACTURING FACILITIES

Vaccines Formulation Facility at Baddi, HP

The Company's state of the art manufacturing facilities for vaccine drug substances and drug products, comply with the cGMP practices of the key International regulatory bodies like WHO cGMP standards.

The Company's state-of-the-art Vaccines Formulations Facility at Baddi, Himachal Pradesh sprawls over in a complex of 23 acres of land. The facility which started its operations in the year 2008 is comprised of two blocks. The production block is spread over approx. 2,800 M^2 construction areas at each floor. The warehouse cum cold storage block measures approx. 3x2500 M^2.

The facility has two independent formulation suites and three filling lines for manufacturing of bacterial, viral and recombinant Vaccines including live attenuated vaccines in pre-filled syringe (PFS) and multi-dose and single dose vial presentations. The facility also has large lyophilization capacity for lyophilized vaccines in vials. The total filling capacity of this facility is approx. 600 million doses per annum in PFS, single-dose and multi-dose vial presentations. This facility is approved by Indian NRA and is also pre-qualified by WHO for the pentavalent vaccine Easyfive-TT & bOPV. There is an additional vial filling line for manufacture of live, attenuated vaccines including oral polio, measles, dengue vaccines, etc.

The warehouse facility is equipped with cold storage and deep freezer for cold chain maintenance and dispatch management of vaccines.

Quality control laboratories of the facility are equipped with assortment of latest sophisticated analytical equipment for testing of vaccines and input materials to assure quality of the product at each stage of manufacturing.

Drug Substance & Biosimilar facilities at Lalru, Punjab

The Company has manufacturing facilities with separate blocks for manufacture of recombinant, bacterial and viral vaccine drug substance. An integrated block for vaccines and biopharmaceuticals is also established which comprises of three independent suites dedicated for manufacture of:

a) bacterial vaccines,
b) viral vaccines, and
c) recombinant e.g. biosimilar molecules on cell culture in both conventional as well as disposable formats.

Recombinant Hepatitis B surface antigen, Haemophilus influenza type B conjugate (Hib-TT), Diphtheria, Tetanus Toxoids and whole cell Pertussis drug substance are manufactured at these facilities. The facilities have been approved by Indian NRA and WHO.

Pharmaceutical Formulations Facility at Baddi, Himachal Pradesh

The Company's state-of-the-art pharmaceuticals formulations facility at Baddi, Himachal Pradesh became operational in year 2006. As a part of transfer of pharmaceutical business, this facility has been transferred to Panacea Biotec Pharma effective from February 1, 2020. The facility is quipped for bi-layer tablets, mini-tablets, complex sustained release coatings and delayed release coatings. The facility has been approved by Indian NRA, USFDA, Health Authority Saarland, SAHPRA, Turkey, Germany and ANVISA Brazil etc.

Quality is a core guiding factor behind Panacea Biotec's decisions and actions. Panacea Biotec maintains a harmonised Pharmaceutical Quality System (PQS) that caters to all markets. These efforts have been recognised by all major regulatory bodies through accreditations such as USFDA, European Medicine Agency, HALMED (Croatia), SAHPRA (South Africa), ANVISA (Brazil), Russia, Ukraine, Turkey. Some of its pharmaceutical formulation products are routinely supplied to low-income countries under access programs through international agencies such as PAHO.

Panacea Biotec has dedicated and independent Quality Control facilities in the manufacturing plants comprising of sample preparation with isolator containment, wet lab, lab for atomic absorption spectroscopy, dissolution testing and stability testing as per ICH Guidelines, a packaging-material testing laboratory and a fully self-contained microbiology lab to carry out tests for microbial counts, microbiological assays and assessing environment controls.

Panacea Biotec's Pharmaceutical manufacturing expertise lies in various solid, semi-solid & liquid oral dosage forms and vaccines such as:

- Oral-solids - conventional tablets / capsules, controlled / delayed release / enteric coated tablets and capsules, tablet in tablet, tablet in capsule, multi layered capsules, hard gelatin / soft gelatin capsules, mouth dissolving / chewable tablets, beads encapsulation, coating (film, sugar & functional), taste masking and fast-dissolving tablets;
- Semi-solids – ointments / creams / gels, transdermal drug delivery system;
- Liquids – suspensions/syrups/solutions.

The Company's cytotoxic injectable formulation facility at Baddi, Himachal Pradesh, has two lines dedicated for liquid & lyophilized vials as well as pilot scale up batches complying with USFDA, EU and ROW cGMP norms. Cytotoxic facility is equipped for manufacturing conventional and technology-based injections e.g. nano-particle and liposomal lyophilized products. This facility has been approved by Indian NRA, USFDA and other regulatory agencies.

During the year, the Company's pharmaceutical formulations facility located at Baddi completed 5 consecutive successful current Good Manufacturing Practices (cGMP) and pre-approval inspections by the USFDA. The Company's oral solid dosage manufacturing facility and cytotoxic injectable facility at Baddi, Himachal Pradesh have been found consistently complying with the Good Manufacturing Practices.

RESEARCH & DEVELOPMENT

Panacea Biotec is one of the largest biopharmaceutical companies in India. The Company is a progressive, Innovative biotech company with high focus on Research & Development, Manufacturing, Marketing operations across Pharmaceuticals, Vaccines and natural or herbal products. The Company is guided by its vision of "Innovation in Support of Life". Panacea Biotec specialises in complex generics, vaccines, and novel drug delivery platforms to offer higher value and better health outcomes for the patients, governments and overall society.

The Company's Research and Development efforts have been its greatest strength. The areas of research are New Chemical Entities (NCE), New Biological Entities (NBE), Novel Drug Delivery System (NDDS), Novel peptides, human monoclonal antibodies and Vaccines. Its ambitions are backed by distinguished, ultra-modern, state-of-art R&D centres with over 60 scientists with deep roots within the academic community in important clusters in India, USA and Germany among other countries.

Vaccine R&D Center has an excellent portfolio of innovative pediatric vaccines which protect children against dreadful diseases. Further to broaden the presence of Panacea Biotec in the market, the Vaccine R&D is developing the new generation vaccines like typhoid conjugate, pneumococcal conjugate and tetravalent dengue vaccine. Other vaccines which are in the pipeline include Sabin Inactivated Polio vaccine (sIPV), Tetanus and Diphtheria vaccine, Varicella vaccine and fully indigenous wP based pentavalent vaccine.

The R&D activities to carry out research in vaccines use advanced genetic engineering, molecular biology, genomics tools, animal cell culture, fermentation, purification, serological, thermal stabilization and analytical techniques. The Company believes in its innovative vaccine program that will consistently deliver Next Generation Vaccines to safeguard the future of children and help alleviate poverty across the world.

SAMPANN Research and Development Centre, Lalru, Punjab

The Company's efforts yielded over 1,500 patent filings in over 68 countries. The Company has around 450 granted patents and others are under various stages of examination or publication by the patent authorities. Some of these countries are USA, Germany, Mexico, Brazil, Australia, South Africa, Japan, Russia, Canada, Ukraine, Korea, etc.

The Company continues to focus on Research & Development in various therapeutic areas with a constant focus on developing difficult-to-develop formulations focused on chronic and super specialty therapeutic areas. The Company has deep experience in developing innovative drug delivery-based products such as Nimulid-MD, Nimulid Transgel, PacliAll, Livoluk Fibre, ODPEP, Willgo CR and many other such products that enjoy considerable brand equity amongst physicians.

The Company's Nanotechnology-based product 'PacliAll' (Paclitaxel bound in human albumin particles) was launched in 2011. At the time, it was the world's first generic for Abraxane, manufactured by Celgene, US. As a First-to-file product in the US, PacliAll demonstrates the Company's ability to handle the most complex generics and deliver a high-quality product in constrained and challenging timelines.

Panacea Biotec has been amongst the first companies to have introduced its own New Chemical Entity in India under the trademark of Sitcom tab and Sitcom cream in the year 2008 and is today amongst the leader brands in India for the treatment of Hemorrhoids.

In the field of Pharmaceutical research, Panacea Biotec has developed different innovative technologies such as hydro gel based topical drug delivery system of peptides and herbal drugs, solid-solid dispersion for highly variable drugs, Self-emulsifying drug delivery system (SEDDS) and controlled release drug delivery systems in different therapeutic areas.

Clinical Research

Clinical research is a critical function that guides clinical decisions based on facts and scientific data through clinical studies on drugs that can affect the health and well-being of millions of people.

Panacea Biotec continuously undertakes clinical trials (Phase I, Phase II and Phase III) for all its investigational new drug applications as well as bioequivalence studies for its innovative generic portfolio across both Vaccines and Pharmaceutical products respectively.

Panacea Biotec has conducted over 150 Pre-clinical trials, over 10 Phase I trials, around 8 Phase II trials, around 103 Phase III trials and BA / BE studies across its novel Pharmaceutical and Vaccine portfolio. As part of its commitment to patient well-being, the Company regularly conducts Post Marketing Surveillance studies and has so far conducted over 6 such studies with more under the way.

Intellectual Property

The Company has a strong portfolio of intellectual property in the form of patents, trade-marks and copyrights in both vaccines and pharmaceutical formulations business. As on March 31, 2020, Panacea Biotec has filed more than 1,500 patents and been granted 450 patents including 67 patents in India for different pharmaceutical formulation products/ new drug delivery technologies/new chemical entities etc. The Company has 117 patent applications under processing including 25 patent applications in India as on that date.

The Company has filed 866 trademark applications for registrations out of which 282 have been registered in India and 250 have been registered outside India. In addition, the Company has 199 trademark applications pending for registration including 104 applications filed in international markets. The Company has 167 registered copyrights as on March 31, 2020.

As a part of transfer of pharmaceutical business, the intellectual property rights related thereto including patents, trademarks and copyrights related to pharma business have been transferred to Panacea Biotec Pharma.

Human Resources

The Company thrives to provide a long and rewarding career to its talented and diverse workforce and focuses on their all-round development and growth. At Panacea Biotec, employees are the core strength of its continuing growth in all the segments. The Company believes that its employees are pivotal to all the initiatives that drive the growth of the business. The Company continues to invest to create a work culture representing a unique mix of its values and functional expertise.

As on March 31, 2020, Panacea Biotec has a total manpower of around 2,765 employees (including around 427 through contractors). Out of these, around 1,709 employees (including around 220 through contractors) are in Panacea Biotec Pharma. There are over 60 scientists engaged in R&D Centers, around 645 employees engaged in Production, Quality Control & Quality Assurance and around 1,022 employees engaged in Sales & Marketing and Logistics and around 604 in other functions.

Panacea Biotec provides meaningful opportunities for learning and growth and continuously encourage its employees to widen the horizon for professional growth. Learning at Panacea Biotec is a self-led journey. The Company believes that learning is a continuous process where an individual identifies what needs to be learnt to drive personal and organisational growth. The Company strongly believes in developing and grooming leaders from within the organization. The Company's endeavour has been to create a culture where people continue to push boundaries of growth and self-development.

The Company's HR team aims to become progressive and employee centric and continues to proactively drive and implement various initiatives such as vertical and horizontal promotional opportunities, internal talent development and management, investing in key talent and helping them pursue additional learning's in an attempt to make them more rounded individuals, corporate ethics training across all the functions and many other such initiatives. The Human Resources team continuously utilizes data analytics to develop internal talent, undertake proactive approach towards hiring talented people in selective critical functional areas aligned with Company's growth ambitions.

Internal Audit & Internal Financial Control System

Panacea Biotec has a comprehensive internal control system that commensurate with its size and nature of operations. This system spans across the organization including all manufacturing and research & development facilities, warehouses & sales offices besides corporate office.

The internal financial controls have been developed and implemented at each business process across the Company. The user level responsibilities are constantly shared with key users for their implementation and compliance. Checks & balances and control systems have been established to ensure that assets are safeguarded, utilized with proper authorization and recorded in the books of account. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring.

Internal Audits are conducted periodically. M/s Dass Gupta & Associates and M/s K. K. Garg & Associates, the then existing internal auditors of the Company conducted internal audit until quarter ended September, 2019. On the recommendation of the Audit Committee of the Board of Directors, an internationally renowned independent firm of Internal Auditors, viz. PriceWaterhouseCoopers (PWC) was duly appointed by the Board of Directors as Internal Auditors, who have conducted internal audits for the period from October 1, 2019 onwards.

The Company has established and maintained adequate and effective internal financial controls over financial reporting (IFCoFR) in accordance with the framework. The Company with the help of the independent Internal Audit firm has performed an overall design assessment of the business processes as part of the Internal Financial control reviews. This includes review of policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business and fixing responsibility against all the controls. The design assessment was followed up by the management testing of the controls across processes.

FINANCIAL PERFORMANCE

Summarized Balance Sheet

Shareholders' Funds: The Company's Shareholders' funds were Rs.8,927.33 million as at March 31, 2020 as compared to Rs.4,184.72 million as at March 31, 2019. The increase in shareholders fund is on account of increase in capital reserve of Rs.5,862.02 million pursuant to the completion of the transfer of the pharmaceutical formulations business by the Company to Panacea Biotec Pharma, on slump sale basis, effective from February 1, 2020.

Non-Current Liabilities: Non-current liabilities include long term borrowings (excluding current maturities), provisions and other non-current liabilities. The non-current liabilities as

(Rs. in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Assets:		
Fixed assets	5,030.16	4,995.42
Financial assets	42.23	40.56
Other non-current assets	166.40	223.30
Current assets	2,121.95	1,084.55
Asset classified as held for sale and discontinued operations	4,024.14	8,076.52
Total Assets	11,384.88	14,420.35
Equity & Liabilities:		
Shareholders' Funds	8,927.33	4,184.72
Non-current liabilities	751.40	1,024.77
Current liabilities	1,695.22	7,010.67
Liabilities directly associated with discontinued operations	10.93	2,200.19
Total Liabilities	11,384.88	14,420.35

at March 31, 2020 have decreased to Rs.751.40 million as compared to Rs.1,024.77 million as at March 31, 2019. The decline is mainly on account of write back of debts and decrease in the liability component of the compound financial instruments on account of increase in the tenure of non-convertible preference shares. The pending instalment of Rs.7.00 million against loan from BIRAC which was due on March 31, 2020 was delayed due to Covid-19, has been paid on August 07, 2020.

Current Liabilities: Current liabilities include short-term borrowings, trade payables and other current financial liabilities (including current maturities of long term borrowings). The current liabilities as at March 31, 2020 have decreased to Rs.1,695.22 million as compared to Rs.7,010.67 million as at the end of previous year, mainly due to settlement and repayment of the CDR debts in April 2019.

Liabilities directly associated with discontinued operations: This represents liabilities directly pertaining to the Company's real estate business (being demerged into Ravinder Heights Ltd.) which are considered as discontinued operations as per the Ind-AS. Total liabilities associated with discontinued operations as at March 31, 2020 were Rs.10.93 million as compared to Rs.2,200.19 million as at March 31, 2019 which also included Rs.2,183.39 million pertaining to pharmaceutical business which has since been transferred to Panacea Biotec Pharma as a going concern.

Fixed Assets: The net fixed assets have increased to Rs.5,030.16 million as against Rs.4,995.42 million as at the end of previous year on account of additions during the year under review.

Non-current Financial Assets: Non-current financial assets include long-term investments, loans and other long-term financial assets. The non-current financial assets as at March 31, 2020 were Rs.42.23 million as against Rs.40.56 million as at the end of previous year.

Other Non-Current Assets: Other non-current assets include deferred tax asset (net of MAT credit) and other non-current assets. The non-current assets as at March 31, 2020 have decreased to Rs.166.40 million as against Rs.223.30 million as at March 31, 2019 mainly due to decrease in the deferred tax liability and increase in the deposits with statutory authorities.

Current Assets: Current assets include inventories, trade receivables, cash & cash equivalents, other bank balances, short-term loans and other current assets. Total current assets have increased to Rs.2,121.95 million from Rs.1,084.55 million as at the end of fiscal 2019 mainly due to increase in the inventories, cash and bank balances and other current assets.

Summarized Statement of Profit & Loss

(Rs. in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing operations:		
Revenue from operations	1,580.85	962.10
Materials & Finished Goods Purchases	585.26	762.57
Employee benefits expense	466.42	411.58
Other expenses	1,151.48	1,254.58
Finance Costs	52.67	1,046.33
Depreciation and amortization expense	269.05	330.30
Other Income	308.75	35.25
Profit/ (Loss) before tax and exceptional items	(635.28)	(2,808.01)
Exceptional items	(153.97)	3,133.49
Profit/ (Loss) Before Tax	(789.25)	325.48
Provision for Taxes (including deferred tax)	170.99	106.08
Profit/(Loss) after Tax from continuing operations	(960.24)	219.40
Profit/(Loss) after Tax from discontinued operations	(570.46)	46.30
Other comprehensive income (net of tax)	12.29	(6.51)
Total comprehensive income	(1,518.41)	259.19
Basic & Diluted EPS* from continuing operations	(15.68)	3.58
Basic & Diluted EPS* from discontinued operations	(9.31)	0.76
Total Basic and Diluted EPS*	(24.99)	4.34

*Earnings Per Share in Rs. per Equity Share of Re.1.

Continuing Operations

Income from operations

Revenue from operations: During the year, the Company's revenue from continuing operations has increased to Rs.1,580.85 million as compared to Rs.962.10 million during previous financial year, registering a growth of 64.13% over previous year. The revenue from operations has increased mainly due to increase in revenue from vaccine business driven by higher institutional vaccine business and also higher export sales in the pharmaceutical business.

Other Income: Other income has increased to Rs.308.75 million as compared to Rs.35.25 million in previous financial year, mainly on account of write back of debts and higher interest income.

Expenditures

Materials & Finished Goods purchases: The raw & packing materials and finished goods purchases have decreased to Rs.585.26 million as against Rs.762.57 million during previous financial year. The material cost was higher in previous financial year due to one-time write off of the old non-usable inventories.

Employee benefits expenses: The employee benefits expenses have increased to Rs.466.42 million from Rs.411.58 million during FY2018-19, mainly due to increased manpower.

Other Expenses: The other expenses have decreased to Rs.1,151.48 million from Rs.1,254.58 million during previous financial year. The other expenses were higher during previous financial year primarily due to higher provisioning and write offs of unrecoverable assets and advances etc.

Finance costs: Finance costs comprising of interest and bank charges has declined to Rs.52.67 million during the year under review as compared to Rs.1,046.33 million during FY2018-19 on account of repayment of the outstanding debts to banks. The finance cost of discontinued operations was Rs.1,419.79 million as against Rs. Nil during previous financial year on account of transfer of Non-Convertible Debentures as a part of transfer of pharmaceutical formulations business to Panacea Biotec Pharma.

Depreciation and amortization expenses: Depreciation has reduced to Rs.269.05 million as compared to Rs.330.30 million during previous financial year due to, inter-alia, sale of few immovable properties during the year.

Profit/(Loss) Before tax and exceptional items: The Company's loss before tax and exceptional items has decreased to Rs.635.28 million as against loss of Rs.2,808.01 million during FY2018-19 on account of reasons as explained above.

Exceptional items: The Company has incurred exceptional expenses of Rs.153.97 million in the form of write off of excess managerial remuneration earlier shown as receivables, after getting necessary approval from the shareholders of the Company in compliance with applicable laws.

Profit/(Loss) Before Tax (PBT) after exceptional item: The Company has registered loss before tax of Rs.789.25 million as against profit of Rs.325.48 million for fiscal 2019.

Profit/(Loss) After Tax (PAT): The loss after tax was Rs.960.24 million as against profit after tax of Rs.219.40 million during fiscal year 2019.

Profit/(Loss) from discontinued operations

The net loss from discontinued operations was Rs.570.46 million as against profit of Rs.46.30 million during FY2018-19 mainly on account of decline in revenues and increased finance cost and other expenses.

Other comprehensive income

Other comprehensive income of Rs.12.29 million include actuarial gain/(loss) on gratuity and deferred tax thereon as per IND-AS requirement.

Earnings per Share

The basic and diluted EPS from continuing operations was negative Rs.15.68 as against positive EPS of Rs.3.58 per share for fiscal 2019. The basic and diluted EPS from discontinued operations was negative Rs. 9.31 per share as against positive EPS of Rs.0.76 per share for fiscal 2019. Overall basic and diluted EPS from continuing and discontinued operations was negative Rs.24.99 per share as against positive EPS of Rs.4.34 per share for fiscal 2019.

Cash Flow statement (Continuing and Discontinued Operations)

(Rs. in million)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Cash Flows from:		
Operating Activities	(828.55)	1,071.55
Investing Activities	(185.18)	(83.31)
Financing Activities	1,093.93	(984.54)
Cash & Cash Equivalent at the end	149.15	49.58

Cash Flow from Operating Activities: The net cash outflows from operating activities were Rs.828.55 million as compared to inflows of Rs.1,071.55 million during financial year 2018-19. The net cash outflows were mainly on account of higher deployment in working capital. While the Company has generated net cash inflows of Rs.689.78 million, the net cash outflows during the year were Rs.1,518.33 million towards changes in working capital and taxes.

Cash Flow from Investing Activities: The net cash used in investing activities was Rs.185.18 million as against Rs.83.31 million during previous financial year. The Company has invested funds in the product development activities and other normal capital expenditure required for business operations besides depositing funds with statutory authorities.

Cash Flow from Financing Activities: Net cash inflows from financing activities were Rs.1,093.93 million after considering the long term funds raised, payment of finance charges and repayment of debts as against outflows of Rs.984.54 million during previous financial year.

Details of Ratios

Significant changes exceeding 25% vis-a-vis immediately preceding financial year were reported in the following ratios:

- Interest Coverage Ratio : -0.92 to 0.68 - Improved
- Current Ratio : 0.25 to 1.25 - Improved
- Debt Equity Ratio : 1.65 to 0.08 - Improved
- Operating Profit Margin % : -19.48% to 11.45% - Improved
- Net Profit Margin %
  - before exceptional items : -64.57% to -28.12% - Improved
  - after exceptional items : 5.98% to -31.26% - Declined
- Return on Net worth %
  - before exceptional items : -68.53% to -15.42% - Improved
  - after exceptional items : 6.35% to -17.15% - Declined

Dr. Rajesh Jain, Managing Director with other dignitaries at CII Life Sciences Conclave at Mumbai

There has been a positive impact on the interest coverage ratio, current ratio, debt equity ratio and operating profit margin due to improvement in the profits, working capital position and reduction in debts. The decline in net profit margin and return on networth before considering the exceptional items has also improved due to reduced losses.

Consolidated Financial Performance

The consolidated revenues from operations of the Group has increased to Rs.5,440.62 million from Rs.4,566.96 million during previous financial year, an increase of around 19% over previous year. On consolidated basis, the Group's loss before tax and exceptional items from continuing operations has reduced to Rs.1,558.23 million as compared to loss of Rs.2,853.93 million during previous financial year. The consolidated loss after tax (before exceptional items) from continuing operations has also reduced to Rs.1,724.63 million as against loss of Rs.2,931.00 million during previous financial year.

Opportunities and Outlook

The Company operates in a highly regulated and competitive environment across multiple geographies. The Company is engaged in research, development, manufacturing and marketing of a wide range of branded and generic pharmaceutical formulations and novel vaccines. The Management continues to be committed to grow the Company's business building on its strong foundation and executing its pipeline of products.

SWOT Analysis

Strengths

- Experienced Management Team: The Company has a team of professionally qualified and experienced persons in all management functions. Most of the senior management personnel are working with the Company for more than 5 years thereby indicating stable management team.
- State-of-the-art Manufacturing Infrastructure: The Company's manufacturing capabilities have been a matter of pride for the Company with an ability to maintain a single QMS that caters to all markets from the United States to Kenya. These efforts have been recognised by all major regulatory bodies through accreditations such as USFDA, ANVISA (Brazil), HALMED (Croatia), SAHPRA (South Africa), Turkey, Russia, Ukraine, European Medicine Agency, etc. The Company’s state-of- art production facilities are located at Baddi (Himachal Pradesh) and Lalru (Punjab). Some of the vaccines and pharmaceutical products are routinely supplied to international agencies such as the UNICEF and PAHO.
- Established Brand Equity: The Company is focusing on niche therapeutic areas and has established significant brand equity amongst the customers enjoying leadership positions in these segments in domestic market and many other geographies.
- Research & Development: Research & Development has been Panacea Biotec's bedrock ever since its inception more than 30 years ago. Its unwavering commitment to apply latest technologies to improve the safety, efficacy and compliance of its products is evident from its pipeline across Pharmaceutical, Vaccine and Natural product. It has a team of more than 60 scientists focusing on developing Novel Drug Delivery Systems (NDDS), New Chemical Entities (NCE) and New Biological Entities (NBE) to provide Vaccines and Pharmaceuticals for chronic diseases.
- Sales and Distribution Network: Panacea Biotec has established a strong sales team of around 1,000 people in the domestic market and caters to more than 200,000 chemists through a distribution network of more than 1,500 distributors across Pharmaceuticals and Vaccines.

  Panacea Biotec has established extensive sales and distribution networks for its novel Pharmaceutical and Vaccine formulations in North America, Europe and ROW markets through partnerships with strong and competitive local organisations.

Weaknesses

- Long Gestation Period on R&D Projects: R&D projects involve longer development time and medium to high investment as is the norm in the vaccine and pharmaceutical industry. As a result of this, the present profitability is affected whereas the output may come in medium to long term future periods.
- High Dependence on Institutional Business in Vaccine Segment: A significant part of the vaccine business revenues comes from tender driven institutional business. Panacea Biotec has decided to focus on expanding into private markets in India as well as in ROW countries through strategic tie-ups to have a diverse sales base and reduce its dependence on institutional business.
- Revenue Concentration on Few Products: In vaccine segment, the revenue generation is mainly dependent on two products i.e. pentavalent and hexavalent vaccine. Any future disruption in any of these products may impact the future financial performance.

Opportunities

- To improve Capacity Utilization: The Company has an opportunity to improve its plant utilization levels with the registration of pentavalent and hexavalent vaccine in global markets. Similarly, Panacea Biotec Pharma expects to improve the capacity utilization of pharma production lines by launching new products in US and ROW markets and through selective contract manufacturing tie-ups with multinational organizations.
- Products in Pipeline for Commercial Launch: The Company has successfully completed Phase I/II clinical trials of recombinant tetravalent dengue candidate vaccine

(Dengiall™) and pneumococcal conjugate vaccine (Nucovac) and will further undertake development activities in due course. Panacea Biotec Pharma is having around 25 products currently under different stages of development for domestic and international market.

- Use of in-house drug substance: The Company is in the process of replacing the imported drug substance with its in-house manufactured drug substance in future thereby reducing its dependence on third party suppliers and ensuring higher quality controls as well as improving contribution.

Threats

- Dependence on few imported suppliers in drug substance. However, Panacea Biotec is focusing on reducing its dependence on foreign suppliers by developing in-house drug substances at Lalru.
- Price Control by Government: Pharmaceutical industry per-se is facing price control risk from the Government and the Government has been frequently fixing the ceiling prices and bringing more and more products under the price control mechanism.
- Increasing Regulatory Compliances and Costs: International regulatory agencies like USFDA have started exercising greater controls and compliances. As a result of this, the cost of compliance has also started increasing. Many Indian companies have been disqualified by USFDA due to non-compliance with cGMP guidelines. However, the Company has been following the guidelines prescribed by USFDA and other regulatory agencies and save and except, recent observations / warning from USFDA which has been suitably responded / acted upon, has successfully passed USFDA audit thrice in last 4 years.
- Pricing pressure amid intense competition in the Pharmaceutical industry across the globe.
- High volatility in currency exchange rates may affect the Industry adversely.
- Risk of all R&D initiatives not leading to commercially viable and successful products.

Future Growth Strategy

Vaccine Business

- Short-term (1-2 years):
  - ✔ Scaling up EasySix™ vaccine sales in Private Market in India.
  - ✔ Increasing participation in institutional business for Easyfive-TT vaccine.
  - ✔ Continuing development of Dengue vaccine (DengiAll™). and Pneumococcal Conjugate Vaccine (NucoVac™).

Dr. Rajesh Jain, Managing Director with other dignitaries at Global Bio India 2019 Curtain Raiser Conference

Panacea Biotec
Innovation in support of life

- Exploring CMO opportunities for new vaccines.
- Medium Term (3-5 years):
  - Introduction of EasySix™ vaccine in UNICEF / PAHO Program, private markets and National Program of developing countries.
  - Launch of tetravalent Dengue Vaccine DengiAll™ in India.
  - Launch of Pneumococcal Conjugate Vaccine NucoVac™ in India.
  - Launch of Typhoid conjugate vaccine.
- Long Term (5 years+):
  - Scale up of sales of DengiAll™ vaccine and NucoVac™ vaccine in Private Market in India.
  - Launching these vaccines in Developing Countries National Program etc.
  - Launch of Vaccines which are currently under advanced stage of pre-clinical studies in India and developing countries.

Pharma Business

- Short-term (1-2 years):
  - Growth in domestic Pharmaceutical Formulation business through introduction of new products and increasing sales force productivity.
  - Growth in exports of Pharmaceutical Formulations to emerging markets.
  - Scaling up of existing niche generic business in USA.
  - Increase Patient connect for sustainable growth.
  - Launch of Cyclosporine in USA.
  - Filing more ANDAs in USA.
- Medium Term (3-5 years):
  - Expanding sales in existing markets.
  - Launch of PacliALL and other ANDAs in US market.
  - Launch of new products in domestic and international emerging markets.
- Long Term (5 years+):
  - Launch of more ANDAs in US market.
  - Launch of products in the EU and Japanese markets.
  - Launch of new products in domestic market, emerging and developing countries.

Safety, Health and Environment Protection

The Company undertakes all its operations with a high concern and sincerity for environment and its surrounding as well as the safety and health of people. The Company has dedicated Environment, Occupational Health and Safety (EOHS) department and also engages the services of consultant for independent evaluation of EOHS activities.

Corporate Social Responsibility

Panacea Biotec recognizes Corporate Social Responsibility as one of its core values by making continuous efforts on spreading awareness on critical health issues impacting the quality of life of Indians. Panacea Biotec has been actively engaged in conducting Patient Camps such as Diabetes Detection, HbA1C & Diabetic Neuropathy Camps to help patients better manage Diabetes and co-morbid conditions, Cancer Survivor Meets to help patients manage life post chemotherapy, Organ Donation Awareness Campaigns to spread awareness and positive impact of Organ Donation, Osteoporosis Camps to help patients identify risk of osteoporosis ahead of time, Piles Camps for detection, management and awareness of Piles. These camps are conducted across the country with an objective to provide free diagnostic services to the patients and spread awareness on lifestyle management with such chronic diseases to help improve their quality of life.

Note: As a result of rounding off adjustments, the figures/ percentages in a column in various sections in the Annual Report may not add up to the total for such columns.

Directors' Report

Dear Members,

Your Directors feel pleasure in presenting the 36th Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Reports thereon for the financial year ended March 31, 2020.

Financial Results

The highlights of Standalone Financial Results of the Company are as under:

(Rs. in million)

Particulars	Financial Year	
	2019-20#	2018-19##
Revenue from operations	4,896.78	4,441.63
Other Income	439.05	81.20
Total Income	5,335.83	4,522.83
Profit/(Loss) before Interest, Tax, Depreciation & Amortization (EBITDA)	100.53	(1,466.06)
Profit/ (Loss) before exceptional items and tax	(1,205.74)	(2,968.29)
Exceptional items	(153.97)	3,340.07
Profit/(Loss) before Tax (PBT)	(1,359.71)	371.78
Profit/(Loss) after Tax (PAT)	(1,530.70)	265.70
Total Comprehensive Income	(1,518.41)	259.19

\# *Include figures for the discontinued operations*

\## *Previous year's figures have been re-grouped, re-classified and/or restated wherever necessary*

Performance Highlights

During the year ended March 31, 2020, your Company's total revenue from continuing and discontinued operations has grown by 10% to Rs.4,896.78 million as against Rs.4,441.63 million during the previous financial year. In view of the completion of the transfer of pharmaceutical formulations business to the Company's wholly owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") with effect from February 01, 2020 and the ongoing demerger of real estate undertaking including investment in Radhika Heights Limited into the Company's wholly owned subsidiary, Ravinder Heights Limited ("RVHL"), the financial results of the pharma business upto January 31, 2020 and those of the said real estate undertaking for full year, that are considered as disposal group, have been presented as discontinued operations in the Standalone Financial Statements of the Company in accordance with the applicable accounting standards. The Company has earned revenue from operations of Rs.3,315.93 million from such discontinued operations as against Rs.3,479.53 million during previous year. The revenue from continuing operations has increased to Rs.1,580.85 million from Rs.962.10 million during previous financial year, registering a growth of around 64% over previous year.

During the financial year, the Vaccines business registered a turnover of Rs.1,404.00 million as against Rs.962.10 million during previous financial year, registering a growth of around 46% over previous year. The Pharmaceutical Formulations business registered a turnover of Rs.3,315.93 million as against Rs.3,479.53 million during previous financial year. The Company's total export revenue has grown to Rs.1,115.18 million from Rs.848.80 million in the previous financial year.

The Company has earned positive EBITDA of Rs.100.53 million during financial year 2019-20 as against negative EBITDA of Rs.1,466.06 million during previous financial year. The Company's loss before tax and exceptional items has reduced to Rs.1,205.74 million as compared to loss of Rs.2,968.29 million during previous financial year. The loss after tax for financial year was Rs.1,530.70 million as against PAT of Rs.265.70 million during previous financial year.

During the year ended March 31, 2020, Panacea Biotec as a Group has registered consolidated revenue from operations of Rs.5,440.62 million as against Rs.4,566.96 million during previous financial year from continuing operations and discontinued operations, resulting an increase of 19.13%. The Company's consolidated loss before tax and exceptional items (from continuing operations and discontinued operations) has signifficantly decreased to Rs.1,619.47 million from Rs.2,877.84 million during previous financial year.

During the year under review:

a) Your Company's Oncology Parenteral Formulation Facility at Baddi, Himachal Pradesh, India has received United States Food & Drug Administration (USFDA) approval for manufacture and supply of Azacitidine Injection, 100 mg/ vial, for the US market. Panacea Biotec's state-of-the-art pharmaceutical formulation facility at Baddi is already approved by National Regulatory Authority (NRA) of India and USFDA for other oral solids and injectable products.

b) Your Company has launched brand VILACT in India. VILACT is used in the treatment of Uncontrolled Type 2 Diabetes Mellitus patients with HbA1c >6.5%. ViLACT is available in four formulations i.e. VILACT (Vildagliptin 50 mg Tablet), VILACT M 500 (Vildagliptin 50 mg + Metformin HCL 500 mg Tablet), VILACT M 850 (Vildagliptin 50 mg + Metformin HCL 850 mg Tablet) and VILACT M 1000 (Vildagliptin 50 mg + Metformin HCL 1000 mg Tablet). The total market size of this molecule and its combination is Rs.9,690 million as per AIOCD AWACS MAT October 2019 and is growing at the rate of 4%.

c) Your Company has received awards worth US$24.32 million (over Rs.1,700 million) from U.N. Agencies (UNICEF and PAHO) for supply of its Easyfive-TT, a fully liquid WHO prequalified wP based Pentavalent Vaccine (DTwP-HepB-Hib). UNICEF award is for calendar year 2020 and award of PAHO is for three (3) calendar years i.e. 2020-2022.

Further, during the current financial year, your Company has successfully completed its Phase I/II study to evaluate the safety and immunogenicity of its vaccine, DengiAll™, a single-dose live-attenuated tetravalent vaccine and Pneumococcal Conjugate Vaccine (Nucovac).

A detailed discussion on operations of the Company for the year ended March 31, 2020 is given in the Management Discussion and Analysis Report forming part of the Annual Report.

Directors' Report

Credit Rating

During the year, your Company has repaid all the long term loans and working capital loans availed from the banks. Pursuant to such repayment, Credit Analysis & Research Ltd. (CARE) has withdrawn the earlier assigned credit rating of the bank facilities. The Company has not availed any new bank facilities and has consequently not accepted any new credit rating.

Dividend and Transfer to Reserves

In view of losses during the year, the Board of Directors has not recommended any dividend on the Equity as well as Preference Shares of the Company. Accordingly, there has been no transfer to general reserves.

Share Capital

The issued, subscribed and paid up Share Capital of the Company as on March 31, 2020, remains unchanged at Rs.224.25 million comprising of Rs.61.25 million equity share capital divided into 61,250,746 Equity Shares of Re.1 each and Rs.163.00 million preference share capital divided into 16,300,000 0.5% Non-Convertible Cumulative Non-Participating Redeemable Preference Shares ("NCCRPS") of Rs.10 each.

However, during the year under review, the terms of NCCRPS were amended wherein the tenure of NCCRPS has been increased to 15 years from the date of allotment with an option with the Company as well as the Preference Shareholders for early redemption of NCCRPS, subject to certain conditions stipulated in the amendment agreement.

Further, during the current year, pursuant to the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") dated September 09, 2020 sanctioning the Scheme of Arrangement for demerger of real estate business of Panacea Biotec Limited ("Demerged Company") with and into Ravinder Heights Limited ("Resulting Company") and their respective shareholders and creditors in terms of sections 230 to 232 and section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme") and the Scheme becoming effective from September 10, 2020, the authorised share capital of the Company has reduced from Rs.1,225.0 million to Rs.1,223.37 million on account of cancellation of preference share capital of Rs.1.63 million divided into 163,000 NCCRPS of Rs.10 each. The paid-up preference share capital has also reduced from Rs.163.00 million to Rs.162.37 million.

During the year under review, the Company has not issued any equity shares with differential rights/sweat equity shares under Rule 4 & Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.

Significant Events during the year/current year

a) Issue of Warrants: As approved by the shareholders in their Extraordinary General Meeting held on March 25, 2019, the Company has on April 08, 2019, issued and allotted 71,11,111 convertible warrants ("Warrants") at a price of Rs.180 each on a preferential basis to India Resurgence Fund - Scheme 1, India Resurgence Fund - Scheme 2 and Piramal Enterprises Limited ("Warrant Holders/Investors").

   The Company received an amount of ~Rs.320.00 million as upfront payment which was equivalent to 25% of the total amount of Rs.1,280.00 million proposed to be raised upon issuance of equity shares against Warrants as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

   The Company had fully utilized the funds received from the Warrant Holders as per the objects stated in the Explanatory Statement to the Notice dated February 26, 2019, sent to the shareholders of the Company. There were no unutilized funds under the same as on March 31, 2020.

   The Warrant Holders were entitled to exercise the right attached to the said Warrants and subscribe to 1 Equity Share of face value of Re.1/- each at a premium of Rs.179/- per share against each Warrant, within the period starting on the date which was 10 business days prior to the date falling 18 months from the date of allotment of such Warrants and ending on the date falling 18 months from such date of allotment, i.e. during the period starting from September 23, 2020 and ending on October 07, 2020.

   However, during the current year, since the Warrant Holders did not exercise the conversion option within the aforesaid period, the Warrants stand cancelled / lapsed and the upfront amount of ~Rs.320.00 million (equivalent to 25% of total consideration) as received by the Company from the Warrant Holders, towards allotment of the said Warrants stand forfeited in accordance with the terms of the said Warrants and as per the provisions of Regulation 169(3) of Chapter V of SEBI ICDR Regulations.

b) Issue of Non-Convertible Debentures: The Company had raised funds by way of issue and allotment of 74,300 secured, unrated, unlisted, redeemable Non-Convertible Debentures ("NCDs"), having the face value of Rs.1,00,000 each, aggregating to Rs.7,430 million under Series 1A, Series 1B and Series 2 NCDs through private placement to the Investors. Subsequently, the Company has made partial repayment of Series 1A NCDs amounting to Rs.305.69 million.

c) One time settlement with the existing lenders: During previous financial year, in order to resolve the debt position of the Company, the Company reached bilateral settlements of its debts with each consortium bank individually. During the year under review, the Company has paid all its debts to the said lenders including ECB from Bank of India pursuant to the said bilateral settlements on April 09, 2019 and obtained 'no dues' certificates from such lenders.

d) Alteration in Memorandum and Articles of Association: The existing Memorandum of Association ("MOA") of the Company has been replaced in its entirety by new set of MOA with a view to align the same with Table A of the Schedule I to the Act.

   Further, the existing Articles of Association ("AOA") of the Company have been replaced in its entirety by new set of AOA with a view:

   - to align the same with the requirements of the Act; and
   - to suitably incorporate the relevant provisions of the

Warrant Subscription and Shareholders Agreement and Debenture Trust Deed both dated April 06, 2019 executed by the Company, in connection with the issue of Share Warrants and NCDs to the Investors.

e) Completion of Transfer of Pharmaceutical Formulations Business: As approved by the Shareholders in their Extraordinary General Meeting held on March 25, 2019, with an objective to segregate the different business of the Company to ensure smooth functioning of each business in the future, the Company has executed a Business Transfer Agreement on April 07, 2019 as amended vide Business Transfer Amendment Agreement dated February 04, 2020 ("BTA") with Panacea Biotec Pharma Limited ("PBPL") to transfer Company's Pharmaceutical Formulations business including pharmaceutical formulations facility at Baddi, Himachal Pradesh and related research & development activities and natural products extraction activities of the Company together with all assets (including any identified assets but excluding R&D Centre and natural product extraction facility at Lalru), contracts, permissions and consents, rights, registrations, personnel & employees, other assets and liabilities including the assumption of all or part of Company's obligations towards the non-convertible debentures issued by the Company to the Investors, either by way of a novation or otherwise, to PBPL on a going concern basis through slump sale.

   In accordance with the provisions of BTA, the above mentioned transfer has been completed with effect from February 01, 2020. Since then PBPL is engaged into research, development, manufacturing, marketing and distribution of pharmaceutical products in domestic markets and is in the process of obtaining necessary approvals for change in the name of the Company in marketing authorizations/ registration of Products for various countries in international markets. While such approvals with respect to key products in the key market has been obtained, the approvals for other markets is expected in due course. Until receipt of such approvals, PBPL is supplying the products through the Company.

f) Novation of Non-Convertible Debentures: In accordance with the provisions of BTA and the deed of novation executed on February 04, 2020, all issued and outstanding NCDs in the Company have been novated and NCDs of commensurate value of Rs.7,124.31 million have been allotted by PBPL on a private placement basis to the Investors on February 01, 2020 for consideration other than cash.

   Accordingly, the liability of the Company in respect of the NCDs has been transferred to and taken over by PBPL and there are no outstanding NCDs in the Company as on date.

g) Scheme of Arrangement for demerger of real estate business: The Board of Directors of the Company had, at its meeting held on May 30, 2019 and equity shareholders & unsecured creditors of the Company at their respective NCLT convened meetings held on January 28, 2020, approved the Scheme of Arrangement ("Scheme") between Panacea Biotec Limited and Ravinder Heights Limited ("RVHL") and their respective shareholders and creditors for demerger of real estate business of the Company comprising of Radhika Heights Limited alongwith its step down subsidiaries and two real estate properties, into RVHL, subject to applicable approvals.

   During the current year, the Hon'ble NCLT vide its order dated September 09, 2020 has approved the Scheme. The appointed date of the Scheme is April 01, 2019 and the Scheme has become effective from September 10, 2020.

   Pursuant to the Scheme, RVHL has, in its Board Meeting held on September 24, 2020, issued and allotted 6,12,50,746 Equity Shares of Re.1 each and 1,63,000 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs.10/- each to the Company's equity and preference shareholders, respectively, whose names appeared in the register of members / record of the depositories as a beneficial owner as on the Record Date i.e. September 22, 2020 in the following manner:

   i. 1 (One) equity share of face value of Re.1/- each credited as fully paid-up for every 1 (One) equity share of face value of Re.1/- held in the Company; and

   ii. 1 (One) 0.5% cumulative non-convertible and non-participating preference share of face value of Rs.10/- each credited as fully paid-up for every 100 (One Hundred) preference shares (i.e. 0.5% cumulative non-convertible and non-participating Redeemable Preference Share) of face value of Rs.10/- held in the Company.

   The new Equity Shares issued and allotted by RVHL to the shareholders of the Company in accordance with the Scheme shall be listed and/or admitted to trading on the BSE Limited and National Stock Exchange of India Limited (NSE), subject to requisite approvals of Exchanges/SEBI.

h) During the current year, the Company has received a warning letter from USFDA relating to the Pharmaceutical Formulations facility of PBPL located at Baddi, Himachal Pradesh. The Company / PBPL has taken multiple steps after its inspection conducted during February, 2020 to address the observations received during the inspection. Panacea Biotec is committed to patient safety, quality and takes all quality and compliance matters seriously and stand by its commitment to fully comply with the cGMP quality standards.

   This letter does not materially affect the Company's existing business in US. Further, the revenues from US markets are not significant as compared to the Company's consolidated revenues. The USFDA may, however, withhold approval of any new drug applications or supplements till all the issues raised by the USFDA are addressed.

   The Company has submitted the response to the said letter containing the proposed Corrective and Preventive Action Plan. The Company / PBPL will now actively engage with USFDA and take all necessary steps required to address its concerns.

Apart from the updates mentioned above, there were no significant events after the end of the financial year ended March 31, 2020.

Directors' Report

Panacea Biotec Limited - Employee Stock Option Plan 2020 ("ESOP 2020"/ "Plan")

With a view to motivate the key employees seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, the Board of Directors of the Company, had at its meeting held on February 14, 2020, proposed implementation of 'Panacea Biotec Limited-Employee Stock Option Plan 2020' ("ESOP 2020"/ "Plan") to cover eligible employees of the Company and its subsidiary company, in or outside India.

The Shareholders have approved the Plan as well as grant of employee stock options to the employees of the subsidiary company by passing special resolutions through postal Ballot on July 17, 2020.

However, no options have been granted under the ESOP 2020 till date.

Significant and material orders impacting the going concern status and Company's operations in future

During the year under review, no significant and material orders were passed by any regulator or court or tribunal which may impact the going concern status and your Company's operations in future.

During the financial year 2011-12, a search operation was conducted by Income Tax Department in the premises of the Company and hence the Company re-filed the income tax returns for the Assessment Years ("AY") 2006-07 to 2012-13. During the financial year 2014-15, the Income Tax Department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs.3,294.9 million (including interest) on various grounds. The Company preferred appeals before CIT (Appeals) and after several hearings in the matter and on the basis of facts of the matter, the appeals were decided in favour of the Company and the entire demand of Rs.3,294.9 million was cancelled. However, CIT (Appeals) made certain disallowances of Rs.60.2 million with respect to AY 2010-11 & AY 2011-12 against which the Company has filed appeals before the Income Tax Appellate Tribunal ("ITAT"). The Income Tax Department has also filed appeals before ITAT against the orders of CIT (Appeals). The appeals before ITAT are pending at present.

Report on Corporate Governance

Your Company has always placed thrust on managing its affairs with diligence, transparency, responsibility and accountability. Your Directors support the broad principles of Corporate Governance and lays emphasis on its role to align and direct the actions of the Company in achieving its objectives. The report on Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015 ("SEBI LODR Regulations") for the year under review together with a certificate from the Practicing Company Secretary confirming compliance thereof is attached and forms part of the Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as required pursuant to Regulation 34 read with Schedule V of SEBI LODR Regulations, is presented in a separate section and forms an integral part of this Report.

Business Responsibility Reporting

The Business Responsibility Report for the year under review, as required pursuant to Regulation 34 of SEBI LODR Regulations, is presented in a separate section and forms an integral part of this Report.

Subsidiaries, Associates and Joint Ventures

A. Subsidiaries

As on March 31, 2020, your Company had 5 wholly owned subsidiary ("WOS") companies, viz. Ravinder Heights Limited ("RVHL") (w.e.f. April 15, 2019), Radhika Heights Limited ("RHL"), Panacea Biotec Pharma Limited ("PBPL"), Meyten Realtech Private Limited ("Meyten") (w.e.f. April 12, 2019), Panacea Biotec (International) S.A., Switzerland ("PBS"), and 7 indirect WOS companies, as under:

- Cabana Construction Private Limited, Cabana Structures Limited, Nirmala Buildwell Private Limited, Nirmala Organic Farms Resorts Private Limited, Radicura Infra Limited and Sunanda Infra Limited; all being WOS of RHL; and
- Panacea Biotec Germany GmbH ("PBGG"), the WOS of PBS.

RVHL was incorporated on April 15, 2019 for the purpose of the above mentioned demerger of real estate undertaking of the Company including its investment in RHL into RVHL. The Company was holding 1,00,000 equity shares of Re.1 each with an investment of Rs.0.10 million in RVHL as on March 31, 2020.

During the current year, pursuant to the order of the Hon'ble NCLT dated September 09, 2020 sanctioning the above mentioned Scheme of Arrangement which has become effective from September 10, 2020, RVHL has ceased to be the subsidiary of the Company.

RHL inter-alia, owns a prime immovable property which is being used by the Company as its Corporate Office at New Delhi and land at Pataudi Road, Gurugram (along with its 4 WOSs). It has diversified its activities in construction and development of township as part of its growth plans. Accordingly, RHL along with its 4 WOS companies signed a term sheet with a developer for development of the integrated township on its land at Pataudi Road, Gurugram during the earlier year, however, a dispute had emerged among the parties and the matter was under arbitration. Since the arbitration proceedings were continuing since long, RHL has settled the matter with the developer and both the Parties have mutually entered into a Collaboration Agreement. The Company was holding 47,76,319 equity shares of Re.1 each with an investment of Rs.3,385.65 million in RHL as on March 31, 2020.

During the current year, pursuant to the above referred order of the Hon'ble NCLT, RHL alongwith its step down subsidiaries and two real estate properties, has been demerged into RVHL and RHL and it's subsidiaries have ceased to be the subsidiary of the Company w.e.f. September 10, 2020.

Further, the specified leasing business of RHL is proposed to be demerged into the Company's another WOS i.e. Meyten and Cabana Structures Limited, WOS of RHL is proposed to be amalgamated with RHL pursuant to the Composite Scheme of Arrangement subject to the approval of the Hon'ble NCLT and other applicable authorities.

PBPL is engaged in the research, development, manufacturing and exports of pharmaceutical formulations in India and international markets. The Company holds 10,00,000 equity shares of Re.1 each with an investment of Rs.1.00 million in PBPL as on March 31, 2020.

Meyten was incorporated on April 12, 2019 for the purpose of proposed demerger of specified Leasing Business of RHL into Meyten. The Company holds 1,00,000 equity shares of Re.1 each with an investment of Rs.0.10 million in Meyten as on March 31, 2020.

PBS was earlier engaged in the business of trading of pharmaceutical products and is currently not pursuing any business. Since no further activity is envisaged to be undertaken by PBS, it has been decided to liquidate PBS. The Company holds 6,000 equity shares of CHF 100 each with an investment of Rs.34.36 million in PBS as on March 31, 2020.

PBGG, WOS of PBS, is engaged in marketing of pharmaceutical products including the Company's products in Germany. PBGG is proposed to be converted into direct WOS of the Company/ PBPL.

During the year under review, Rees, earlier WOS of the Company, has been dissolved on May 23, 2019.

B. Joint Ventures and Associates

Your Company has 2 joint ventures, viz. Adveta Power Private Limited ("Adveta") and Chiron Panacea Vaccines Private Limited (Under Liquidation) ("CPV") and 1 associate company, viz PanEra Biotec Private Limited ("PanEra"). Adveta and PanEra have been considered as subsidiaries for the purpose of consolidation of accounts pursuant to the provisions of IND-AS.

Adveta: The Company's 50:50 joint venture with PanEra, was granted in-principle approval by Govt. of Arunachal Pradesh for allotment of two Power Projects of 80 MW and 75 MW in Arunachal Pradesh in financial year 2012-13. Adveta has in the past initiated taking preliminary steps in connection with the implementation of projects. However, no major investment has been made in this regard nor is envisaged during the current financial year. Further, as per the terms agreed with IndiaRF, the Company has initiated the preliminary steps for disposal of its investments in Adveta in due course of time.

CPV: The voluntary winding up process of CPV is currently in progress.

PanEra: PanEra was granted in principle approval by Govt. of Himachal Pradesh for allotment of a hydro-power project of 4 MW in Himachal Pradesh in earlier year. PanEra will be taking necessary steps in connection with the implementation of the project in due course of time. However, no major investment has been made in this regard nor is envisaged during the current financial year. Further, as per the terms agreed with IndiaRF, the Company has initiated the preliminary steps for disposal of its investments in PanEra in due course of time.

A separate statement containing the salient features of financial statements of the Company's Subsidiaries, Joint Ventures and Associates, in the prescribed Form AOC-1, forms part of the Annual Report and hence not repeated here for the sake of brevity. The separate audited Financial Statements of the Subsidiaries shall be kept open for inspection at the Company's Registered / Corporate Office during working hours for a period of 21 days before the date of the ensuing Annual General Meeting (AGM) of the Company.

The separate Financial Statements of the subsidiaries are also available on the website of the Company at www.panaceabiotec.com and will also be made available upon request of any member of the Company who is interested in obtaining the same.

The Company has formulated a Policy for determining material subsidiaries which may be accessed on the Company's website at the link: https://www.panaceabiotec.com/statutory-policies. As on March 31, 2020, Radhika Heights Limited and Panacea Biotec Pharma Limited were material subsidiaries of the Company pursuant to SEBI LODR Regulations.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its Subsidiaries, joint ventures and associates, prepared in terms of Section 129 of the Companies Act, 2013 ("the Act"), Regulation 33 of SEBI LODR Regulations and in accordance with Ind AS 110 read with Ind AS 28 and 31 as specified in the Companies (Indian Accounting Standards) Rules, 2015 ("Ind-As Rules") and provisions of Schedule III to the Act, are attached herewith and the same together with Auditors' Report thereon, forms part of the Annual Report.

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Listing of Equity Shares

The Equity Shares of the Company continue to be listed on NSE and BSE. The requisite annual listing fees for the financial year 2020-21 have been paid to these Exchanges.

Public Deposits

During the year under review, your Company has not invited or accepted any deposits from the public/members pursuant to the provisions of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

Directors and Key Managerial Personnel

i) Cessation of Directors:

   (a) During the year under review, Mr. Nithin Krishna Kaimal (DIN:05253046), who was appointed as a non-executive director of the Company w.e.f. April 08, 2019, has ceased to be director of the Company w.e.f. December 10, 2019.

Directors' Report

(b) During the current year, Mrs. Sunanda Jain (DIN: 03592692) and Mr. Sumit Jain (DIN: 00014236), Whole-time Directors, have ceased to be directors of the Company w.e.f. October 07, 2020.

Your Directors place their sincere appreciation towards the invaluable contributions, guidance and support received from them during their tenure as Directors of the Company towards the progress of the Company.

ii) Appointment of Independent Directors: During the year under review, the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Board ("NRC"), has appointed Mr. Bhupinder Singh (DIN:00062754) as an additional director and non-executive independent director of the Company for a period of five (5) years w.e.f. April 08, 2019.

iii) Re-appointment of Independent Directors: During the year under review, Mrs. Manjula Upadhyay (DIN: 07137968) has been re-appointed as an Independent Director w.e.f. March 30, 2020 for a second term of five (5) consecutive years up to March 29, 2025.

Further, the first term of office of Mr. Mukul Gupta (DIN: 00254597) as Independent Director, will expire on March 31, 2021. The Board of Directors has, after taking into account the report of performance evaluation and the recommendation of NRC, in its meeting held on November 11, 2020, recommended his re-appointment as Independent Director for a second term of five (5) consecutive years upto March 31, 2026, subject to approval of shareholders. The terms and conditions for his re-appointment are contained in the Explanatory Statement forming part of the Notice of the ensuing AGM of the Company.

iv) Appointment of Non-Executive Nominee Director: During the year under review, the Board of Directors on the recommendation of NRC, has appointed Mr. Shantanu Yeshwant Nalavadi (DIN: 02104220) as an additional director and non-executive nominee director of the Company w.e.f. December 10, 2019. He is proposed to be appointed as director not liable to retire by rotation, subject to approval of shareholders in the ensuing AGM. The terms and conditions for his appointment are contained in the Explanatory Statement forming part of the Notice of the ensuing AGM of the Company.

v) Retirement by Rotation: In accordance with the provisions of Section 152 of the Act and Article 124 of the Article of Association of the Company, Mr. Soshil Kumar Jain (DIN: 00012812), Whole-time Director and Chairman of the Company is liable to retire by rotation. Being eligible, he has offered himself for re-appointment as director at the ensuing AGM.

vi) Profile of Directors seeking appointment/re-appointment: The brief resume of the Directors seeking appointment/re-appointment along with other details as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standards issued by The Institute of Company Secretaries of India, are provided in the Notice convening the ensuing AGM of the Company and the Corporate Governance Report forming part of the Annual Report.

vii) Declaration of independence: Your Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence provided in Section 149(6) of the Act and Regulation 16 of the SEBI LODR Regulations and there has been no change in the circumstances which may affect their status as Independent director during the year under review.

viii) Registration in Independent Directors' Data Bank: The Company has received confirmation from all it's Independent Directors that they have registered themselves in the Independent Director's Data Bank of Indian Institute of Corporate Affairs at Manesar, for a period of 5 years, in compliance with the provisions of sub-rule (1) of rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

Your Directors recommend appointment/re-appointment of the above said directors in the ensuing AGM.

Apart from the above, there was no other change in the directors and Key Managerial Personnel ("KMP") during the year under review and thereafter.

Board Evaluation

In terms of the provisions of the Act and Regulation 19(4) of SEBI LODR Regulations, the Board has adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects such as Board composition & quality, strategic & risk management, board functioning, etc. which are briefly stated in the Corporate Governance Report, forming part of the Annual Report.

Performance evaluation of independent directors was conducted by the Board of Directors excluding the director being evaluated on the criteria such as ethics and values, knowledge and proficiency, behavioral traits etc.

The Board of Directors has expressed its satisfaction with the evaluation process.

Board Meetings

During the year under review, four (4) Board Meetings were held on May 30, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act. The detailed information is furnished in the Corporate Governance Report, forming part of the Annual Report.

Audit Committee

The Audit Committee of the Board of Directors consisted entirely of Independent Directors. The details of the composition and number of meetings of the Audit Committee are furnished in the Corporate Governance Report, forming part of the Annual Report. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Directors' Report

Policy on Directors' appointment & remuneration

Pursuant to the provisions of Section 178(3) of the Act and Regulation 19(4) of SEBI LODR Regulations and as per the recommendations of NRC, the Board has adopted a policy for appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company. The components of remuneration policy are briefly stated in the Corporate Governance Report, forming part of the Annual Report.

Energy Conservation, Technology Absorption & Foreign Exchange

As required under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 ("Accounts Rules") the particulars regarding conservation of energy, technology absorption and foreign exchange earnings & outgo, are given in **Annexure A** hereto and forms part of this Report.

Extract of Annual Return

As required pursuant to Section 134 and 92(3) of the Act, an extract of Annual Return in Form MGT-9 as on financial year ended on March 31, 2020 is annexed as **Annexure B** hereto and forms part of this Report. The same is available on Company's website at: https://www.panaceabiotec.com.

Related Party Transactions

As per the provisions of the Act and SEBI LODR Regulations, your Company has formulated a policy on Related Party Transactions which is available on Company's website at: https://www.panaceabiotec.com/statutory-policies.

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for its review and approval. Wherever applicable, prior approval is obtained for related party transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length basis.

During the year, all related party transactions entered into were in the ordinary course of business and on an arm's length basis. The Company has not entered into any material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Accounts Rules in the prescribed Form AOC-2 is not applicable. Suitable disclosures as required under Accounting Standard AS-18 have been made in the notes to the Financial Statements forming part of the Annual Report.

Particulars of Employees and Related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Managerial Personnel Rules") are provided in **Annexure C** hereto and the same forms part of this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Managerial Personnel Rules, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is provided in A**nnexure D** hereto and the same forms part of this Report.

Auditors and Audit Reports

i) Statutory Auditors and Audit Report: Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Regn. No. 001076N/N500013), were re-appointed as statutory auditors of the Company for a second term of five (5) consecutive years to hold office from the conclusion of the 35th AGM of the Company held on September 30, 2019 till the conclusion of the 40th AGM of the Company. The Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

   The Auditors have not given any qualified opinion or made any reservation, adverse remark or disclaimer in their Audit Report.

   The management response to the Emphasis of Matters and observations/comments contained in the Auditors' Report and Annexure thereto have been suitably given in the respective Notes to the Financial Statements referred to therein.

   Further, the Emphasis of Matters as contained in the Auditors' Report on the Standalone Financial Statements are also mentioned as Emphasis of Matters in the Auditors' Report on the Consolidated Financial Statements in similar manner. The management responses thereto have been suitably given in the respective Notes to the Consolidated Financial Statements referred to therein.

   The notes to accounts and other observations, if any, in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

ii) Cost Accounts and Auditors: The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records have been duly made and maintained by the Company in compliance with the provisions of the Act.

   Pursuant to the provisions of Section 148 of the Act, M/s. GT & Co., Cost Accountants (Firm's Registration Number: 000253), were appointed as the Cost Auditors to conduct the audit of the Company's Cost Records for the financial year ended March 31, 2020 and their remuneration has been ratified by the shareholders in the 35th AGM of the Company held on September 30, 2019.

   The cost audit for the said period has been completed and the Cost Auditors Report has also been submitted with the Central Government within the prescribed time. The Cost

Directors' Report

Audit Report for the financial year 2018-19 was filed on September 11, 2019.

Based on the recommendations of the Audit Committee, the Board of Directors has re-appointed M/s. GT & Co., Cost Accountants, as cost auditors of the Company for the financial year 2020-21 pursuant to the provisions of Section 148 of the Act. As required, the item for ratification of remuneration of cost auditor has been included in the notice of the ensuing AGM for shareholders' approval.

iii) Secretarial Auditors and Secretarial Audit Report: Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Managerial Personnel Rules, the Board of Directors has appointed M/s. R&D Company Secretaries Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Audit Report for the said period is annexed as **Annexure E** to this Report.

The management response to the observation contained in the Secretarial Audit Report is given below:

a) The Company has paid managerial remuneration for the financial years ended 31st March 2019, 2018, 2017, 2016, 2014 and 2013, which was in excess of the limits specified under the relevant provisions of the Companies Act, 2013 / the Companies Act, 1956 by Rs.154 million for the said years. The Company's applications to the Central Government seeking approval for payment of such excess remuneration were not approved and consequently the Company was required to recover the excess amount thus paid for the said years. The Company recorded an amount of Rs.154 million as recoverable from the directors towards such excess remuneration paid. The Company again submitted applications to the Central Government for waiver of recovery of excess remuneration paid. Further, pursuant to the notification of the effective date of Section 67 of the Companies (Amendment) Act, 2017 amending Section 197 (overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits) of the Companies Act, 2013, the aforesaid applications pending with the Central Government stood abated. In compliance with the aforesaid amended provisions of the Act, the Company had, during the year, obtained necessary approval from its shareholders in the Extraordinary General Meeting held on September 10, 2019 and after receipt of such approval, an amount of Rs.154 million which was shown as receivable as on March 31, 2019, was written off by the Company.

The above observation in the Secretarial Audit Report is self-explanatory and therefore, does not require any further comment.

In addition to the above and in compliance with SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 08, 2019, a report on secretarial compliance issued by M/s. R&D Company Secretaries for the year ended March 31, 2020 has been submitted to stock exchanges.

As per the requirements of the SEBI LODR Regulations, the material subsidiaries of the Company viz. Radhika Heights Limited and Panacea Biotec Pharma Limited have got undertaken secretarial audit for the Financial Year 2019-20.

Dealing with COVID-19 Pandemic

The outbreak of current novel coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In view of the Covid-19 pandemic, several restrictions were imposed by governments across the globe on the travel, goods movement and transportation considering public health and safety measures, which has adversely impacted the Company's operations since late March 2020. However, the Company's operations including its supply chain has been handled by the Company in an effective manner by applying various approaches on case to case basis and ensuring that its products reaches up to the last point.

Since the Company is engaged in the business of manufacturing of pharmaceutical products, accordingly, the operations at manufacturing facilities and warehouses kept on going, albeit with limited no. of workers in the initial days during the lockdown, however the same increased gradually after obtaining requisite government approvals. For ensuring the health and well-being of its employees, the Company has implemented Work from Home for most of its employees. Also, the Company took several measures such as sanitization of premises on regular basis, video training sessions for employees to create awareness about the spreading of virus and prevention of same, strict follow of social distancing norms at its offices and plants etc. Furthermore, various steps were taken by the Company to render support to employees.

Although there are uncertainties due to the pandemic, the Company is confident about adapting to the changing business environment and respond suitably to fulfill the unmet therapeutic needs of its customers.

Material changes and commitments affecting the financial position which have occurred between March 31, 2020 and date of the Report

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the financial year and the date of this Report.

As required under Section 134(3) of the Act, the Board of Directors inform the members that during the financial year, there have been no material changes, except as disclosed elsewhere in the Annual Report:

- in the nature of Company's business;
- in the Company's subsidiaries or in the nature of business carried out by them; and
- in the classes of business in which the Company has an interest.

Secretarial Standards

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

Transfer to Investor Education and Protection Fund

During the year under review, no amount was required to be transferred by the Company to the Investor Education and Protection Fund.

Directors' Responsibility Statement

The Directors hereby confirm that:

a) in the preparation of the annual financial statements for the financial year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) the directors have 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 as at March 31, 2020, and of the loss of the Company for the year ended March 31, 2020;

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the annual accounts on a going concern basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under Section 143(12)

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Act.

Particulars of loans, guarantees or investments

The Company has made investments or extended loans/ guarantees to its wholly owned subsidiaries for their business purposes. The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act, have been disclosed in the notes to the Financial Statements forming part of the Annual Report.

Risk Management

The Company has formulated a Risk Management Policy and monitors the risk management plan on a periodic basis. The Company has defined a structured approach to manage uncertainty and to make use of these in the decision making in business decisions and corporate functions.

The Company has regularly invested in insuring itself against unforeseen risks. The Company's stocks and insurable assets like building, plant & machinery, computer equipment, office equipment, furniture & fixtures, lease hold improvements and upcoming projects have been adequately insured against major risks. The Company has also taken appropriate product liability insurance policies for conducting clinical trials and for insuring its products (manufactured and sold) with an extension of unnamed vendor liability and add on cover of public liability inclusive of pollution liability to cover the risk on account of claims, if any, filed against the Company.

Internal Control System

Your Company has established a system of internal controls to ensure that assets are safeguarded and transactions are appropriately authorized, recorded and reported. The detailed explanation is provided in the Management Discussion and Analysis Report, forming part of this Report.

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls (IFC) within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended on March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls whenever the effect of such gaps have a material effect on the Company's operations.

Vigil Mechanism

As required pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of SEBI LODR Regulations and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a Vigil Mechanism/Whistle Blower Policy with a view to provide its employees an avenue to raise any sensitive concerns regarding any unethical behavior or wrongful conduct and to enable employees to report instances of leak of unpublished price sensitive information and to provide adequate safeguards for protection from any victimization. This Policy is available on the website of the Company and can be accessed at: https://www.panaceabiotec.com/statutory-policies. This Policy, inter-alia, provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no director/employee has been denied access to the Chairman of the Audit Committee and that no complaint has been received during the year.

Corporate Social Responsibility

The provisions of Section 135 of the Act and the Rules made thereunder regarding Corporate Social Responsibility are not attracted to the Company as the Company does not fall under the threshold limit of net worth of Rs.5,000 million or more, or turnover of Rs.10,000 million or more, or a net profit (as defined under Section 198 of the Act) of Rs.50 million or more during the financial year. However, the Company has been, over the

Directors' Report

years, pursuing Corporate Social Responsibility by putting continuous efforts in the areas of health, education and patient awareness/assistance programs towards the development of happier and healthier society.

Prevention of Sexual Harassment at Workplace

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company has complied with the provisions relating to constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for dealing with the complaint, if any, relating to sexual harassment of women at workplace. No case has been reported during the year under review.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from the UN Agencies, Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company. Your Directors also thank the shareholders, financial institutions, banks/ other lenders, customers, vendors and other business associates for their confidence in the Company and its management and look forward for their continuous support. The Board wishes to place on record its appreciation for the dedication and commitment of the employees at all levels which has continued to be our major strength.

For and on behalf of the Board

Place : New Delhi
Dated: November 11, 2020

Soshil Kumar Jain
Chairman

Annexure to the Directors' Report

Annexure A

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

I. Conservation of Energy

The Company believes that energy conservation is the most economical solution to energy shortages that our country is facing. The Company strives to be energy efficient by being conservative in its approach of energy utilization and also utilizing energy efficient devices. The Company regularly reviews energy consumption and maintains effective control on utilization of energy by adopting measures to reduce wastage and optimize consumption. The Company has undertaken several measures to minimize energy losses and ensure sustainable energy utilization.

1. Energy Conservation measures taken:

   The Company had devised its production lines and other facilities keeping in view the objective of minimum energy losses. The following are the major energy conservation measures implemented during the year under review and recent past:

   - Replacement of CFL lamps, Halogen lamps and conventional tube lights with LED lights at several locations.
   - Use of water treated from ETP & STP for plantation & irrigation purposes.
   - Use of RO rejected water for cooling tower at Lalru Plant.
   - Installation of Pneumatic Actuator Valve on soft water make up tank to avoid wastage of water due to overflowing of tank at Baddi.
   - Replacement of existing 50 HP cooling tower pump with low RPM 30 HP cooling tower pump to save power at Lalru Plant.
   - Replacement of alloy metal CT fans with low weight FRP fans of cooling tower to save power at Lalru Plant.
   - The Company has installed Condensate pipelines from condensate transfer pump having no insulation to reduce the insulation heat losses and increasing saving in fuel.
   - The Company has procured new 6 ton Briquette Fired Boiler to run with Fire Briquette or Wood Fire in place of Furnace Oil (FO) thereby shifting to renewable energy source and also reducing Sulphur emission.

2. Additional Investments/ Proposals, if any, for reduction of Energy Consumption:

   The Company's initiatives in energy consumption extend beyond the needs of the present to ensure sustainable growth for years ahead. Continuous efforts are being made to further reduce the expenditure on power & fuel in the time to come. A few measures under consideration are listed below:

   - To continue replacement of CFL lights with LED lights across the organization over a period of time.
   - To install heat recovery unit with 3.0 TPH Boiler for heating boiler feed water to save fuel at Lalru Plant.

3. Impact of measures taken and impact on cost of production of goods:

   The energy conservation measures indicated above have helped the Company to reduce the energy consumption & restrict the impact of increase in the cost of energy, thereby reducing the cost of production of goods to that extent.

Form A
Particulars of Consumption of Energy

Particulars	**Current Year**	Previous Year
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (Nos. in thousand)	23,519.13	26,107.22
Total Amount (Rs. in million)	148.00	164.16
Rate/Unit (Rs.)	6.29	6.29
(b) Own generation		
(i) Through Diesel Generator		
Units (Nos. in thousand)	531.79	634.09
Unit per litre of Diesel/Oil	3.29	3.33
Cost/Unit (Rs.)	16.59	19.78
(ii) Through Steam Turbine/Generator		
Units (Nos.)	Nil	Nil
Unit per litre of Diesel/Oil		
Cost/Unit (Rs.)		
2. Coal		
Quantity (tonnes)	Nil	Nil
Total Cost		
Average Rate		
3. Furnace Oil		
Quantity (Kilolitres)	2,673.73	2,652.46
Total Cost (Rs. in million)	90.23	96.46
Rate/Unit (Rs.)	33.75	36.37
4. Others/Internal generation		
Quantity	Nil	Nil
Total Cost		
Rate/Unit		
B. Consumption per unit of production		
Tablets		
Production (no. in million)	526.06	564.17
Electricity Consumption (Units per thousand)	6.69	5.90
Capsules		
Production (no. in million)	123.21	129.87
Electricity Consumption (Units per thousand)	23.82	21.55
Syrups		
Production (in litres)	266,082	187,102
Electricity Consumption (Units per kilolitre)	0.49	0.67
Gels		
Production (in kilograms)	39,052	36,126
Electricity Consumption (Units per kilogram)	6.70	5.25
Vaccines		
Production (no. of doses in thousand)	39,167	23,298
Electricity Consumption (Units per thousand)	28.20	24.57
Pre-filled Syringes (PFS)		
Production (no. of PFS in thousand)	792	610
Electricity Consumption (Units per thousand)	282.16	307.39
Granules		
Production (in kilograms)	19,504	20,728
Electricity Consumption (Units per kilogram)	0.88	0.88
Injections		
Production (no. of injection in thousand)	82	102
Electricity Consumption (Units per thousand)	764.39	781.74

Annexure to the Directors' Report

II. Technology Absorption

Form B

Form for disclosure of particulars with respect to Technology Absorption

Research & Development (R&D)

1. Specific areas in which R&D is carried out by the Company:

   The Company has state of art R&D Centres at Lalru and New Delhi manned with over 60 scientists with deep roots within the academic community in important clusters in India, US, and Germany among other countries, working on several key projects in vaccines, pharmaceutical formulations and biopharmaceuticals.

   The areas of research being pursued by the Company include:

   - Platform Technology - SPORTS Technology;
   - NDDS based pharmaceutical formulations development;
   - Development of Recombinant, Live attenuated, Lyophilized, Polysaccharide conjugated vaccines;
   - Development of biosimilar therapeutic products & monoclonal antibodies; and
   - Small Molecule Drug Discovery (NCE Research) in 3 therapeutic areas, viz. metabolic disorders (Diabetes & Obesity), infectious diseases and CNS disorders.

2. Benefits derived as a result of the above R&D:

   - Development of novel drug delivery products;
   - Bringing innovative products to market;
   - Fulfilling unmet therapeutic needs and customer satisfaction;
   - Improved product quality and safety aspects;
   - Availability of products at affordable prices;
   - Yield improvement;
   - Grant of new product/process patents;
   - Affordable life-saving drugs for critical diseases like cancer etc.;
   - Entry into newer markets and export of quality products; and
   - Serving public health by producing million doses of pediatric vaccines for immunization of large population.

3. Future Plan of Action:

   The Company intends to continue to focus on R&D activities for growing its revenues and profitability, inter-alia, in the following areas:

   - Oral immediate and modified release formulation;
   - Technology based injectable dosage form;
   - Nano-emulsion technology based dosage form;
   - Polymeric nano-particulate system;
   - Nano-crystal technology;
   - Solid-Solid dispersion of critical dose drugs;
   - Biodegradable polymer based long acting injection;
   - Liposomal drug delivery technology;
   - Recombinant, polysaccharide conjugate and cell culture based vaccines;
   - Genetic (DNA/RNA) based, Protein based Sub-unit vaccines for novel viral and bacterial antigens; and
   - Development of biosimilar therapeutic products and Monoclonal antibodies.

4. Expenditure on R&D:

(Rs. in million)

Particulars	**2019-20**	2018-19
a) Revenue expenditure (excluding Depreciation on R&D assets)	205.13	564.79
b) Capital expenditure	1.97	39.50
c) Total	207.10	604.29
d) Total R&D expenditure as a percentage of net revenues	4.23%	13.61%

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

   Research & Development plays a vital role in developing and adopting new technologies to enhance our operational efficiencies. The Company is actively involved in research & development of vaccines, biopharmaceuticals, proteins, peptides, novel drug delivery systems, advanced drug delivery systems and drug discovery (small molecules), in compliance with international regulatory standards.

   The Company is working on several critical projects (including ANDA and 505 b(2) products) for global markets. It is also engaged in research & development of new generation vaccines like Typhoid Conjugate, Pneumococcal Conjugate, Tetravalent Dengue and Varicella Vaccines, etc.

2. Benefits derived as a result of the above:

   Benefits derived as a result of the above efforts include product improvement, cost reduction, product development, import substitution, competitive products and product quality improvement.

   The Company has successfully completed development of 6 key projects enabling the Company to file the ANDAs with USFDA. Out of these, three products have been successfully commercialized in USA through collaboration partners. A portfolio of oncological products has also been developed enabling the Company to shift their production in-house at its oncology facility at Baddi. Key products already commercialized in India include PacliALL

(Paclitaxel), Bemustin (Bendamustine Hydrochloride), DoceTrust (Docetaxel Trihydrate), GemTrust (Gemcitabine Hydrochloride), BorteTrust (Bortezomib), CABAPAN (Cabazitaxel) and DASAPAN (Dasatinib) injections.

During the year, the Company has commercialized various strengths of Vildagliptin (Vilact), Vildagliptin & Metformin (Vilact M), Mycophenolate Mofetil oral suspension and Sirolimus tablets. Approval of PacliALL (Paclitaxel) in Canada and Australia has also been obtained. Company has further progressed on Mycophenolate sodium delayed release tablet by undertaking exhibit batches for dossier filing.

The Company had launched world's first wP-IPV based fully-liquid hexavalent vaccine EasySix™ and tetravalent vaccine Easyfour-TT in 2016-17. The Company has in-licensed technology for dengue vaccine from National Institute of Health, USA and for development of sabin IPV vaccine from Netherlands Vaccine Institute (NVI), the Netherlands (now Intravaac).

During the year, the Company has progressed on its novel vaccines (Tetravalent Dengue Vaccine and Pneumococcal Conjugate Vaccine) by undertaking phase I/II clinical studies. The Company has further taken forward fully indigenous wP based pentavalent vaccine by undertaking consistency batches for clinical evaluation and Typhoid Conjugate Vaccine by completing its preclinical toxicity studies.

With the completion of research projects and in-licensing arrangements, the Company will be able to commercialize the products in the domestic and international markets.

3. Information in respect of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

Technology imported	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof and future plan(s) of action
(a)	(b)	(c)	(d)
Not applicable as no technology has been imported during last 5 years			

III. Foreign Exchange Earnings and Outgo

1. Activities relating to exports:

   The Company exports its pharmaceutical formulations in around 30 countries including USA, Germany, Russian Federation, Turkey, Bosnia, Tanzania, Kenya, Serbia, Vietnam, Philippines, Sri Lanka, Panama, Ecuador, Trinidad & Tobago etc.

   The Company has further continued its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets in several countries. Simultaneously, the Company has consolidated its international pharmaceutical business by eliminating loss making products, markets etc. The Company also supplies its vaccines to UNICEF, PAHO & other governments of several countries and also sells in the private market through tie-ups with established industry players in various countries.

   During the year, the export revenues have grown by 31% to Rs.1,115.18 million from Rs.848.80 million during previous financial year. The exports to US market have grown by 56% and the Rest of World (ROW) markets have grown by 23% during financial year 2019-20.

2. Initiatives taken to increase export:

   The Company's Abbreviated New Drug Application (ANDA) submitted under section 505(j) of the Federal Food, Drug & Cosmetics Act (FD&C Act) for Paclitaxel Protein bound particles for Injectable Suspension 100mg/vial had been accepted for filing by the U.S. Food and Drug Administration (USFDA) and the approval is in process. In addition, the approval process for other ANDAs filed earlier with the USFDA is in progress. The Company plans to launch these products in US, Europe, etc. through strategic collaborations with leading pharmaceutical companies.

   The Company has entered into a tripartite agreement with Natco Pharma Ltd. ("Natco") and Breckenridge Pharmaceutical Inc. ("Breckenridge") for manufacturing and supply of Azacitidine Injection for the US market under Breckenridge's already-approved ANDA (the generic equivalent of Vidaza® marketed by Celgene Corp, US). The supplemental abbreviated new drug application (sANDA) submitted by Natco as "Prior Approval Supplement" has been approved by the USFDA on May 06, 2019. The Company has received USFDA approval for this product and has launched the same in USA during financial year 2019-20 through Breckenridge.

   The Company has taken more initiative on Brand Building & Customer Connect like Conference Participations, Country Specific Promo, CMEs, Medical Training Programs.

   These efforts have already started showing results and the Company has started gaining business during financial year in existing markets such as USA, Russia, Vietnam, Uzbekistan, Ecuador, Panama, etc. During the year, the Company has fortified its ROW business which posted double digit growth of 18% for FY 2019-20.

3. Development of new export markets for Products and Export Plans:

   The Company continuously takes steps to strengthen and grow its exports in the coming years including building a strong portfolio, strengthening marketing team, entering into newer markets, identifying strong distributor and marketing partners into newer regions and registering products in more countries as well as strengthening existing relationships with the partners. The Company has further continued its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets in several countries. Simultaneously, the Company has consolidated its international pharmaceutical business by eliminating loss making products, markets etc.

The Company is developing a portfolio of products for European markets, GCC countries and other emerging markets.

The Company continues to focus on building a robust pipeline of several products for filing in several other emerging markets which it will be filing in the next 1-2 years to further strengthen its export portfolio and grow export sales. The Company aims to improve the accessibility and affordability of medicines as the Company's contribution to Government of India's "MAKE IN INDIA" mission.

The Company has received the registration of Tacrolimus and commercialized successfully in Belarus. The Company in a major breakthrough in Middle East has succeeded to get cleared Iraq GMP. Several products including Sitcom, Bendamustin and Valganciclovir have been launched in several countries across the globe.

4. Total foreign exchange earned and used:

(Rs. in million)

Particulars	**2019-20**	2018-19
Foreign Exchange Earned:		
F.O.B. value of Exports	1,459.55	953.85
Research & License Fees	0.72	7.59
Interest Income from subsidiary company	35.62	32.09
Royalty Income	-	0.71
Profit Share For Sale (Export)	77.50	2.20
Litigation avoidance fee received	-	206.59
Total	1,573.39	1,203.03
Foreign Exchange Used:		
Raw Materials & Packing Materials	796.73	265.92
Components & Spare Parts	10.55	7.45
Capital Goods	3.00	1.08
Interest	-	97.47
Legal & Professional Fees	4.36	21.32
Other Expenses:		
- Patents, Trade Marks & Product Registration	5.80	5.87
- Advertising and Sales Promotion	9.00	17.34
- Commission on Sales	0.10	5.02
- Rates & Taxes	23.17	29.28
- Testing charges	5.19	2.14
- General expenses	10.09	5.05
- Bank charges	1.08	0.86
- Travelling expenses	0.59	2.21
- Others	8.40	5.63
Total	878.06	466.64

For and on behalf of the Board

Place: New Delhi
Dated: November 11, 2020

Soshil Kumar Jain
Chairman

Annexure B

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

1	CIN	L33117PB1984PLC022350
2	Registration Date	02-02-1984
3	Name of the Company	**Panacea Biotec Limited**
4	Category/Sub-category of the Company	Public Company / Limited by Shares
5	Address of the Registered office & contact details	Ambala-Chandigarh Highway, Lalru-140501, Punjab Phone: +91-1762-505900 E-mail: companysec@panaceabiotec.com Website : www.panaceabiotec.com
6	Whether listed company	Yes
7	Name, Address & Contact Details of the Registrar & Transfer Agent, if any	M/s. Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Indl. Area, Phase-I, New Delhi - 110020, India Phone: 91-11-40450193-97, E-mail: admin@skylinerta.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Manufacture of allopathic pharmaceuticals preparations	21002	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Ravinder Heights Limited*	U70109PB2019PLC049331	Wholly Owned Subsidiary	100	2(87)
2	Radhika Heights Limited	U74899PB1995PLC045879	Wholly Owned Subsidiary	100	2(87)
3	Cabana Construction Private Limited	U80904PB2007PTC045878	Step down Subsidiary	100	2(87)
4	Cabana Structures Limited	U15122PB2007PLC045877	Step down Subsidiary	100	2(87)
5	Nirmala Buildwell Private Limited	U55101PB2007PTC045914	Step down Subsidiary	100	2(87)
6	Nirmala Organic Farms & Resorts Private Limited	U01403PB2010PTC045880	Step down Subsidiary	100	2(87)
7	Radicura Infra Limited	U74899PB1993PLC045881	Step down Subsidiary	100	2(87)
8	Sunanda Infra Limited	U13209PB2007PLC045882	Step down Subsidiary	100	2(87)
9	Panacea Biotec Pharma Limited	U24299DL2019PLC347566	Wholly Owned Subsidiary	100	2(87)
10	Meyten Realtech Private Limited**	U70109PB2019PTC049328	Wholly Owned Subsidiary	100	2(87)
11	Rees Investments Limited @	Foreign Company	Wholly Owned Subsidiary	100	2(87)
12	Panacea Biotec (International) SA	Foreign Company	Wholly Owned Subsidiary	100	2(87)
13	Panacea Biotec Germany GmbH	Foreign Company	Step down Subsidiary	100	2(87)
14	PanEra Biotec Private Limited #	U24231DL1999PTC102557	Associate	50	2(6)
15	Adveta Power Private Limited #	U40101HP2011PTC031700	Joint Venture	50	2(6)
16	Chiron Panacea Vaccines Private Limited (Under liquidation)	U24230MH2004PTC147790	Joint Venture	50	2(6)

*Subsidiary incorporated on April 15, 2019 @Dissolved w.e.f. May 23, 2019 # Considered as Subsidiary for the purpose of consolidation of accounts as per Ind-AS

**Subsidiary incorporated on April 12, 2019

IV. SHAREHOLDING PATTERN

(Equity Share Capital break-up as percentage of total equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	42,761,412	-	42,761,412	69.81%	42,761,412	-	42,761,412	69.81%	0.00%
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Partnership Firms	2,313,454	-	2,313,454	3.78%	2,313,454	-	2,313,454	3.78%	0.00%
Sub Total (A) (1)	45,074,866	-	45,074,866	73.59%	45,074,866	-	45,074,866	73.59%	0.00%

Annexure to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Promoter and Promoter Group Shareholding (A)	45,074,866	-	45,074,866	73.59%	45,074,866	-	45,074,866	73.59%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	726,222	-	726,222	1.19%	982,631	-	982,631	1.60%	0.42%
b) Banks / FI	31,340	-	31,340	0.05%	6,179	-	6,179	0.01%	-0.04%
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	757,562	-	757,562	1.24%	988,810	-	988,810	1.61%	0.38%
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	7,319,353	-	7,319,353	11.95%	7,472,746	-	7,472,746	12.20%	0.25%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,020,964	256,251	3,277,215	5.35%	3,392,940	222,251	3,615,191	5.90%	0.55%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,873,492	-	3,873,492	6.32%	3,656,333	-	3,656,333	5.97%	-0.35%
c) Hindu Undivided Family	175,369	-	175,369	0.29%	203,204	-	203,204	0.33%	0.05%
d) Non Resident Indians	94,628	-	94,628	0.15%	88,079	-	88,079	0.14%	-0.01%
e) Overseas Corporate Bodies	183,300	-	183,300	0.30%	-	-	-	-	-0.30%
f) Foreign Nationals	-	-	-	-	-	-	-	-	-
g) Clearing Members	240,510	-	240,510	0.39%	38,229	-	38,229	0.06%	-0.33%
h) Trusts	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investors	139,173	-	139,173	0.23%	10	-	10	0.00%	-0.23%
j) Foreign Corporate Bodies	-	-	-	-	-	-	-	-	-
k) Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	115,278	-	115,278	0.19%	113,278	-	113,278	0.18%	0.00%
Sub-total (B)(2)	15,162,067	256,251	15,418,318	25.17%	14,964,819	222,251	15,187,070	24.79%	-0.38%
Total Public Shareholding (B)	15,919,629	256,251	16,175,880	26.41%	15,953,629	222,251	16,175,880	26.41%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	60,994,495	256,251	61,250,746	100.00%	61,028,495	222,251	61,250,746	100.00%	-

(ii) Shareholding of Promoters and Promoters Group

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
A.	Promoters							
1	Mr. Soshil Kumar Jain	5,000,000	8.16%	100.00%	5,000,000	8.16%	100.00%	0.00%
2	Dr. Rajesh Jain	6,213,500	10.14%	100.00%	6,213,500	10.14%	100.00%	0.00%
3	Mr. Sandeep Jain	4,792,100	7.82%	100.00%	4,792,100	7.82%	100.00%	0.00%
B.	Promoters Group							
4	Mrs. Nirmala Jain	2,511,000	4.10%	-	2,511,000	4.10%	100.00%	0.00%
5	Mrs. Sunanda Jain	6,647,300	10.85%	-	6,647,300	10.85%	-	0.00%
6	Mrs. Meena Jain	897,000	1.46%	-	897,000	1.46%	100.00%	0.00%
7	Mrs. Pamilla Jain	816,500	1.33%	-	816,500	1.33%	100.00%	0.00%
8	Soshil Kumar Jain (HUF)	2,251,713	3.68%	-	2,251,713	3.68%	100.00%	0.00%
9	Ravinder Jain (HUF)	4,135,000	6.75%	-	4,135,000	6.75%	-	0.00%
10	Rajesh Jain (HUF)	3,750,799	6.12%	-	3,750,799	6.12%	100.00%	0.00%
11	Sandeep Jain (HUF)	4,105,000	6.70%	-	4,105,000	6.70%	100.00%	0.00%
12	Mr. Sumit Jain	358,500	0.59%	-	358,500	0.59%	-	0.00%
13	Mrs. Radhika Jain	357,000	0.58%	-	357,000	0.58%	-	0.00%
14	Mrs. Priyanka Jain	318,000	0.52%	-	318,000	0.52%	100.00%	0.00%
15	Mr. Ankesh Jain	307,000	0.50%	-	307,000	0.50%	100.00%	0.00%
16	Mr. Harshet Jain	299,500	0.49%	-	299,500	0.49%	100.00%	0.00%
17	Mr. Abhey Kumar Jain	1,000	0.00%	-	1,000	0.00%	-	0.00%
18	Mr. Ashish Jain	500	0.00%	-	500	0.00%	-	0.00%
19	First Lucre Partnership Co.	2,255,815	3.68%	-	2,255,815	3.68%	-	0.00%
20	Second Lucre Partnership Co.	57,639	0.09%	-	57,639	0.09%	-	0.00%

(iii) Change in Promoters and Promoters Group Shareholding (please specify, if there is no change)

S. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
A.	Promoters				Nil			
B.	Promoters Group				Nil			

(iv) Shareholding pattern of top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Serum Institute of India Private Limited							
	at the beginning of the year	5,774,732	9.43%	01.04.2019			5,774,732	9.43%
	change in shareholding			31.03.2020	30,547	Transfer	5,805,279	9.48%
	at the end of the year	5,805,279	9.48%	31.03.2020			5,805,279	9.48%
2.	Adar Cyrus Poonawala							
	at the beginning of the year	3,157,034	5.15%	01.04.2019			3,157,034	5.15%
	change in shareholding				-	-	3,157,034	5.15%
	at the end of the year	3,157,034	5.15%	31.03.2020			3,157,034	5.15%
3.	ICICI Prudential Pharma Healthcare And Diagnostics (P.H.D) Fund							
	at the beginning of the year	726,222	1.19%	01.04.2019			726,222	1.19%
	change in shareholding			12.04.2019	6,239	Transfer	732,461	1.20%
				19.04.2019	67,889	Transfer	800,350	1.31%

Annexure to the Directors' Report

S. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				26.04.2019	25,872	Transfer	826,222	1.35%
				10.05.2019	5,665	Transfer	831,887	1.36%
				17.05.2019	63,987	Transfer	895,874	1.46%
				24.05.2019	174	Transfer	896,048	1.46%
				21.06.2019	18,236	Transfer	914,284	1.49%
				28.06.2019	59,215	Transfer	973,499	1.59%
				05.07.2019	2,549	Transfer	976,048	1.59%
				06.03.2020	5,947	Transfer	981,995	1.60%
				13.03.2020	636	Transfer	982,631	1.60%
	at the end of the year	982,631	1.60%	31.03.2020			982,631	1.60%
4.	Apoorva Realtors and Finvest Pvt. Ltd.							
	at the beginning of the year	695,662	1.14%	01.04.2019			695,662	1.14%
	change in shareholding			05.04.2019	(125,000)	Transfer	570,662	0.93%
				12.04.2019	(248,580)	Transfer	322,082	0.53%
				03.01.2020	26,279	Transfer	348,361	0.57%
				10.01.2020	21,264	Transfer	369,625	0.60%
				17.01.2020	580	Transfer	370,205	0.60%
				24.01.2020	10,000	Transfer	380,205	0.62%
				31.01.2020	8,486	Transfer	388,691	0.63%
				07.02.2020	47,182	Transfer	435,873	0.71%
				14.02.2020	40,000	Transfer	475,873	0.78%
				13.03.2020	113,945	Transfer	589,818	0.96%
				20.03.2020	62	Transfer	589,880	0.96%
				27.03.2020	138,889	Transfer	728,769	1.19%
	at the end of the year	728,769	1.19%	31.03.2020			728,769	1.19%
5	Chakan Investment Pvt. Ltd.							
	at the beginning of the year	222,149	0.36%	01.04.2019			222,149	0.36%
	change in shareholding				-	-	222,149	0.36%
	at the end of the year	222,149	0.36%	31.03.2020			222,149	0.36%
6	Priti Ketan Kotecha							
	at the beginning of the year	161,658	0.26%	01.04.2019			161,658	0.26%
	change in shareholding			05.04.2019	377	Transfer	162,035	0.26%
				12.04.2019	2,173	Transfer	164,208	0.27%
				19.04.2019	(50)	Transfer	164,158	0.27%
				26.04.2019	(400)	Transfer	163,758	0.27%
				10.05.2019	(12)	Transfer	163,746	0.27%
				31.05.2019	14	Transfer	163,760	0.27%
				07.06.2019	497	Transfer	164,257	0.27%
				14.06.2019	53	Transfer	164,310	0.27%
				21.06.2019	90	Transfer	164,400	0.27%
				28.06.2019	633	Transfer	165,033	0.27%
				19.07.2019	512	Transfer	165,545	0.27%
				26.07.2019	502	Transfer	166,047	0.27%
				09.08.2019	(500)	Transfer	165,547	0.27%
				23.08.2019	358	Transfer	165,905	0.27%
				30.08.2019	1	Transfer	165,906	0.27%
				06.09.2019	7	Transfer	165,913	0.27%
				20.09.2019	5	Transfer	165,918	0.27%
				27.09.2019	744	Transfer	166,662	0.27%
				11.10.2019	2,241	Transfer	168,903	0.28%
				18.10.2019	1,993	Transfer	170,896	0.28%

S. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				25.10.2019	150	Transfer	171,046	0.28%
				01.11.2019	1	Transfer	171,047	0.28%
				15.11.2019	1,002	Transfer	172,049	0.28%
				22.11.2019	(42)	Transfer	172,007	0.28%
				29.11.2019	108	Transfer	172,115	0.28%
				06.12.2019	1	Transfer	172,116	0.28%
				13.12.2019	500	Transfer	172,616	0.28%
				20.12.2019	2	Transfer	172,618	0.28%
				27.12.2019	70	Transfer	172,688	0.28%
				03.01.2020	2,244	Transfer	174,932	0.29%
				10.01.2020	1,567	Transfer	176,499	0.29%
				17.01.2020	427	Transfer	176,926	0.29%
				24.01.2020	2,350	Transfer	179,276	0.29%
				31.01.2020	4,404	Transfer	183,680	0.30%
				07.02.2020	1,889	Transfer	185,569	0.30%
				14.02.2020	934	Transfer	186,503	0.30%
				21.02.2020	(106)	Transfer	186,397	0.30%
				28.02.2020	4,624	Transfer	191,021	0.31%
				06.03.2020	6,979	Transfer	198,000	0.32%
				13.03.2020	577	Transfer	198,577	0.32%
				20.03.2020	2,328	Transfer	200,905	0.33%
				27.03.2020	(1,694)	Transfer	199,211	0.33%
				31.03.2020	1,539	Transfer	200,750	0.33%
	at the end of the year	200,750	0.33%	31.03.2020			200,750	0.33%
7	Corpint Investments Pvt. Ltd.							
	at the beginning of the year	175,753	0.29%	01.04.2019			175,753	0.29%
	change in shareholding				-	-	175,753	0.29%
	at the end of the year	175,753	0.29%	31.03.2020			175,753	0.29%
8	Guttikonda Vara Lakshmi							
	at the beginning of the year	183,581	0.30%	01.04.2019			183,581	0.30%
	change in shareholding			31.01.2020	(4,000)	Transfer	179,581	0.29%
				07.02.2020	(4,722)	Transfer	174,859	0.29%
	at the end of the year	174,859	0.29%	31.03.2020			174,859	0.29%
9	Rajasekhar Guttikonda*							
	at the beginning of the year	114,968	0.19%	01.04.2019			114,968	0.19%
	change in shareholding			07.02.2020	8,722	Transfer	123,690	0.20%
	at the end of the year	123,690	0.20%	31.03.2020			123,690	0.20%
10	Investor Education and Protection Fund Authority, Ministry of Corporate Affairs							
	at the beginning of the year	115,278	0.19%	01.04.2019			115,278	0.19%
	change in shareholding			20.12.2019	(1,000)	Transfer	114,278	0.19%
				31.01.2020	(1,000)	Transfer	113,278	0.18%
	at the end of the year	113,278	0.18%	31.03.2020			113,278	0.18%
11	Gain Premium Limited @							
	at the beginning of the year	183,300	0.30%	01.04.2019			183,300	0.30%
	change in shareholding			12.04.2019	(900)	Transfer	182,400	0.30%
				28.06.2019	900	Transfer	183,300	0.30%
				06.12.2019	(500)	Transfer	182,800	0.30%
				07.02.2020	(182,800)	Transfer	-	-
	at the end of the year	-	-	31.03.2020			-	-

* Among Top 10 shareholders as on March 31, 2020 only.

@ Ceased to be among Top 10 shareholders as on March 31, 2020 but was among top 10 shareholders as on April 01, 2019.

Annexure to the Directors' Report

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
A. Executive Directors:								
1	Mr. Soshil Kumar Jain							
	at the beginning of the year	5,000,000	8.16%	01.04.2019			5,000,000	8.16%
	change in shareholding				-	-	5,000,000	8.16%
	at the end of the year	5,000,000	8.16%	31.03.2020			5,000,000	8.16%
2	Dr. Rajesh Jain							
	at the beginning of the year	6,213,500	10.14%	01.04.2019			6,213,500	10.14%
	change in shareholding				-	-	6,213,500	10.14%
	at the end of the year	6,213,500	10.14%	31.03.2020			6,213,500	10.14%
3	Mr. Sandeep Jain							
	at the beginning of the year	4,792,100	7.82%	01.04.2019			4,792,100	7.82%
	change in shareholding				-	-	4,792,100	7.82%
	at the end of the year	4,792,100	7.82%	31.03.2020			4,792,100	7.82%
4	Mrs. Sunanda Jain							
	at the beginning of the year	6,647,300	10.85%	01.04.2019			6,647,300	10.85%
	change in shareholding				-	-	6,647,300	10.85%
	at the end of the year	6,647,300	10.85%	31.03.2020			6,647,300	10.85%
5	Mr. Sumit Jain							
	at the beginning of the year	358,500	0.59%	01.04.2019			358,500	0.59%
	change in shareholding				-	-	358,500	0.59%
	at the end of the year	358,500	0.59%	31.03.2020			358,500	0.59%
6	Mr. Ankesh Jain							
	at the beginning of the year	307,000	0.50%	01.04.2019			307,000	0.50%
	change in shareholding				-	-	307,000	0.50%
	at the end of the year	307,000	0.50%	31.03.2020			307,000	0.50%
B. Non Executive Directors:								
1	Mr. Raghava Lakshmi Narasimhan							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
2	Mr. Namdeo Narayan Khamitkar							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
3	Mr. Krishna Murari Lal							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
4	Mrs. Manjula Upadhyay							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
5	Mr. Mukul Gupta							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
6	Mr. Ashwini Luthra							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
7	Mr. Bhupinder Singh*							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
8	Mr. Nithin Krishna Kaimal**							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-

S. No.	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9	Mr. Shantanu Yeshwant Nalavadi@							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-
C.	Key Managerial Personnel (KMPs)							
1	Mr. Vinod Goel (Company Secretary)							
	at the beginning of the year	250	0.00%	01.04.2019			250	0.00%
	change in shareholding				-	-	250	0.00%
	at the end of the year	250	0.00%	31.03.2020			250	0.00%
2	Mr. Devender Gupta (Chief Financial Officer)							
	at the beginning of the year	-	-	01.04.2019			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2020			-	-

*Appointed as Non-Executive Independent Director w.e.f. 08.04.2019.
**Appointed as Non-Executive Non Independent Director w.e.f. 08.04.2019 and ceased to be Director w.e.f. 10.12.2019.
@Appointed as Non-Executive Nominee Director w.e.f. 10.12.2019.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,045.65	735.68	-	6,781.33
ii) Interest due but not paid	-	12.84	-	12.84
iii) Interest accrued but not due	6.01	1.32	-	7.33
Total (i+ii+iii)	6,051.66	749.84	-	6,801.50
Change in Indebtedness during the financial year				
Addition	7,430.00	8.84	-	7,438.84
Reduction/Transfer of Debt upon slump sale	(13,389.25)	(184.18)	-	(13,573.43)
Net Change	(5,959.25)	(175.34)	-	(6,134.59)
Indebtedness at the end of the financial year				
i) Principal Amount	91.98	551.50	-	643.48
ii) Interest due but not paid	-	15.49	-	15.49
iii) Interest accrued but not due	0.43	7.51	-	7.94
Total (i+ii+iii)	92.41	574.50	-	666.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in million)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
	Name	Mr. Soshil Kumar Jain	Dr. Rajesh Jain	Mr. Sandeep Jain	Mrs. Sunanda Jain	Mr. Sumit Jain	Mr. Ankesh Jain	
	Designation	Chairman	Managing Director	Joint Managing Director	Whole-time Director	Director (Operations & Projects)	Director (Sales & Marketing)	
1	Gross salary							
	(a) Salary as per provisions of Section 17(1) of the Income-tax Act, 1961	9.60	6.00	5.52	4.80	3.60	1.80	31.32
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.90	1.54	1.30	0.69	0.80	0.76	6.99
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-	-
	- others	-	-	-	-	-	-	-
5	Others	-	-	-	-	-	-	-
	Total	11.50	7.54	6.82	5.49	4.40	2.56	38.31

Annexure to the Directors' Report

B. Remuneration to other Directors (Rs. in million)

S. No.	Particulars of Remuneration	Name and Designation of Directors									Total Amount
		Mr. Ashwini Luthra	Mr. Bhupinder Singh*	Mr. K. M. Lal	Mrs. Manjula Upadhyay	Mr. Mukul Gupta	Mr. N. N. Khamitkar	Mr. R. L. Narasimhan	Mr. Nithin Krishna Kaimal**	Mr. Shantanu Yeshwant Nalavadi***	
		Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Non-Executive Non Independent Director	Non-Executive Nominee Director	
1.	Fee for attending board / committee meetings	0.20	0.20	0.26	0.15	0.10	0.19	0.28	-	-	1.38
2.	Commission	-	-	-	-	-	-	-	-	-	-
3.	Others - monthly allowances	-	-	-	-	-	-	-	-	-	-
	Total	0.20	0.20	0.26	0.15	0.10	0.19	0.28	-	-	1.38

* Appointed as Non-Executive Independent Director w.e.f. 08.04.2019. *** Appointed as Non-Executive Nominee Director w.e.f. 10.12.2019.
** Appointed as Non-Executive Non Independent Director w.e.f. 08.04.2019 and ceased to be Director w.e.f. 10.12.2019.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs. in million)

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	Mr. Vinod Goel	Mr. Devender Gupta	
	Designation	Group CFO and Head Legal & CS	CFO & Head IT	
1	Gross salary			
	(a) Salary as per provisions of Section 17(1) of the Income-tax Act, 1961	5.35	3.99	9.34
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.02	-	0.02
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	
	- as % of profit	-	-	-
	- others	-	-	-
5	Others	-	-	-
	Total	5.37	3.99	9.36

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2019-20, there were no penalties/punishment/ compounding of offences under the Companies Act, 2013

Note: 0.0 under "Rs. in million" represents amount less than Rs.50,000, 0.0 under units represents units less than 50,000 and 0.00% under percentage represents percentage less than 0.01%. Further, the figures shown in the tables may not exactly add up due to rounding off.

For and on behalf of the Board

Place : New Delhi
Dated : November 11, 2020

Soshil Kumar Jain
Chairman

Annexure C

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2020

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:

Name of the Director	Designation	Ratio to median remuneration of employees
Mr. Soshil Kumar Jain	Chairman	26.35
Dr. Rajesh Jain	Managing Director	17.28
Mr. Sandeep Jain	Joint Managing Director	15.62
Mrs. Sunanda Jain	Whole-time Director	12.58
Mr. Sumit Jain	Director Operations & Projects	10.07
Mr. Ankesh Jain	Director Sales & Marketing	5.86

b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20:

Name of the Director & KMP	Designation	% change in remuneration*
Mr. Soshil Kumar Jain	Chairman	2.80%
Dr. Rajesh Jain	Managing Director	3.30%
Mr. Sandeep Jain	Joint Managing Director	1.70%
Mrs. Sunanda Jain	Whole-time Director	(5.30%)
Mr. Sumit Jain	Director Operations & Projects	5.10%
Mr. Ankesh Jain	Director Sales & Marketing	5.50%
Mr. Devender Gupta	Chief Financial Officer and Head Information Technology	(2.83%)
Mr. Vinod Goel	Group C.F.O. and Head Legal & Company Secretary	(0.83%)

* During financial year, the terms of remuneration of the Chairman, Managing / Joint Managing Director, Whole-time Directors, Chief Financial Officer and Company Secretary of the Company have remained the same.

c. The percentage increase in the median remuneration of employees in the financial year 2019-20: 41.30%.

d. The number of permanent employees on the rolls of the Company: 849 as at March 31, 2020.

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in remuneration of employees other than managerial remuneration was 2.04%. The average percentile of the managerial remuneration for the year was increased by 1.88%.

f. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Place : New Delhi
Dated : November 11, 2020

Soshil Kumar Jain
Chairman

Annexure D

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Employee Name	Designation	Remuneration (Rs. in million)	Nature of employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in Yrs.)	Particulars of Last Employment: Name of Employer, Designation, Period of Service (Years)
A. Top 10 employees in terms of remuneration drawn during the financial year 2019-20:									
1.	Mr. Soshil Kumar Jain	Chairman	11.50	Contractual	Pharmacist	65	02.02.1984	87	Nil
2.	Dr. Rajesh Jain	Managing Director	7.54	Contractual	Ph.D	36	15.11.1984	56	Nil
3.	Mr. Sandeep Jain	Joint Managing Director	6.82	Contractual	Senior Secondary	35	15.11.1984	54	Nil
4.	Mrs. Sunanda Jain@	Whole-time Director	5.49	Contractual	Graduate in Arts	2	12.03.2018	59	Nil
5.	Mr. Kulvinder Sarao*	Sr. V.P Audit & Compliances (HR)	6.10	Permanent employee	PGD in Personal Management	34	14.01.2005	58	Hero Honda Motors Ltd., Head HRM, 3 months
6.	Mr. Gurinder Pal Singh*	Sr. V.P. - Acute & Chronic Business	5.61	Permanent employee	B.Sc	26	09.03.2010	53	Cadila Pharma, V.P-Sales & Marketing, 2 years
7.	Dr. Sukhjeet Singh**	Chief Scientific Officer & RA (Pharma)	5.56	Permanent employee	Ph.D	28	17.08.2006	51	Strides Arcolab Ltd., VP-Formulation & Development, 1 year
8.	Mr. Rajinder Kumar Suri	Chief Executive - Biologicals	5.51	Permanent employee	M. Sc. (H) Bio-chemistry	42	01.07.2019	65	Sanofi Pasteru India, Member of Board of Directors, 10 Years
9.	Mr. Vinod Goel	Group CFO and Head Legal & Company Secretary	5.37	Permanent employee	M.Com, LLB, ACMA & FCS	33	13.01.1999	55	Prakash Industries Ltd., Company Secretary, 9 years
10	Mr. Rajneesh Chatrath	Vice President -Corporate Quality Assurance	5.19	Permanent employee	M. Sc. (HS)	28	03.10.2000	52	ECO-MED Pharmaceuticals Inc., QA Associate, 4 Months
B. Employed for part of the year and in receipt of remuneration which in aggregate was not less than Rs.850,000 per month									
11.	Mr. Susheel Umesh#	Chief Executive - Domestic Formulations	2.67	Permanent employee	B. Pharm M.B.A (Marketing)	29	18.11.2019	53	Abbott Specialty Care, Managing Director, 2.5 Years

@ Ceased to be Whole-time Director w.e.f. close of business hours on 07.10.2020.
* Transferred to Company's wholly owned subsidiary viz. Panacea Biotec Pharma Ltd. ("PBPL") w.e.f. 01.02.2020.
** Ceased to be employee w.e.f. close of business hours on 11.11.2019.
# Transferred to PBPL w.e.f. 01.02.2020 and ceased to be employee w.e.f. close of business hours on 31.10.2020.

Notes:

1. Remuneration includes salary, commission on profits, house rent allowance, bonus, Company's contribution to Provident Fund, Leave Travel Allowance, Medical Assistance and all allowances paid in cash and monetary value of taxable perquisites wherever applicable and does not include provision for Gratuity/ Retirement Benefit.
2. There was no employee who was employed either throughout the financial year or part thereof, who was holding either by himself or along with the spouse and dependent children 2% or more of the Shares of the Company and drawing remuneration in excess of the remuneration drawn by Managing Director / Joint Managing Director / Whole-time Director of the Company.
3. Mr. Soshil Kumar Jain was the only person who was employed throughout the financial year ended March 31, 2020 and was in receipt of remuneration for the year which is more than Rs.10.2 million. The relevant details are given at Sl. No. 1 of the above table.
4. The terms and conditions of employees at Sl. No. 1 to 4 of the above table are as approved by the Board of Directors and Shareholders on the recommendation of Nomination & Remuneration Committee. The employees at Sl. No. 5 to 11 of the above table are paid remuneration as per the policy/rules of the Company.
5. None of the above employees is related to any of the Directors except that Mr. Soshil Kumar Jain, Dr. Rajesh Jain, Mr. Sandeep Jain & Mrs. Sunanda Jain are related to each other.
6. The nature of duties of Chairman, Managing Director, Joint Managing Director and Whole-time Director are as under: Mr. Soshil Kumar Jain, Chairman - Strategic planning, vision and formulation of strategies; Dr. Rajesh Jain, Managing Director - Overall supervision of day-to-day operations with emphasis on strategic planning, R&D and business development; Mr. Sandeep Jain, Joint Managing Director - Overall supervision of day-to-day operations with emphasis on finance, international marketing, regulatory affairs and taxation; and Mrs. Sunanda Jain, Whole-time Director - Supervision of activities relating to the Company's subsidiaries engaged into real estate business.

For and on behalf of the Board

Place : New Delhi
Dated : November 11, 2020

Soshil Kumar Jain
Chairman

Annexure E

Secretarial Audit Report for the financial year ended March 31, 2020

To
The Members,
Panacea Biotec Limited,
Ambala-Chandigarh Highway,
Lalru - 140 501, Punjab

In terms of the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panacea Biotec Limited, a Company incorporated under the provisions of the Companies Act, 1956, vide CIN L33117PB1984PLC022350 and having its registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab (hereinafter referred to as "the Company"). Secretarial 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, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020, generally 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 hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;

   f. 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;

   g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.

   h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/ propose to buy back any of its securities during the financial year under review.

vi. The management has identified the following laws as specifically applicable to the Company:

   - Drugs & Cosmetics Act, 1940;
   - Drugs (Control) Act, 1950;
   - Narcotic Drugs and Psychotropic Substances Act, 1955;
   - Dangerous Drugs Act, 1930;
   - Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
   - Epidemic Diseases Act, 1897;
   - Essential Commodities Act, 1955;
   - The Poisons Act, 1919;
   - The Pharmacy Act, 1948.

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

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government;

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines,

Annexure to the Directors' Report

Standards, etc. as mentioned above subject to the following observation:

- The Company has paid managerial remuneration for the financial years ended 31st March 2019, 2018, 2017, 2016, 2014 and 2013, which was in excess of the limits specified under the relevant provisions of the Companies Act, 2013 / the Companies Act, 1956 by Rs.154 million for the said years. The Company's applications to the Central Government seeking approval for payment of such excess remuneration were not approved and consequently the Company was required to recover the excess amount thus paid for the said years. The Company recorded an amount of Rs.154 million as recoverable from the directors towards such excess remuneration paid. The Company again submitted applications to the Central Government for waiver of recovery of excess remuneration paid. Further, pursuant to the notification of the effective date of Section 67 of the Companies (Amendment) Act, 2017 amending Section 197 (overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits) of the Companies Act, 2013, the aforesaid applications pending with the Central Government stood abated. In compliance with the aforesaid amended provisions of the Act, the Company had, during the year, obtained necessary approval from its shareholders in the Extraordinary General Meeting held on September 10, 2019 and after receipt of such approval, an amount of Rs.154 million which was shown as receivable as on March 31, 2019, was written off by the Company.

We further report that:

During the period under review, the Board of Directors of the Company is duly constituted with 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 notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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.

We further report that during the audit period, the Company has not entered into/carried out any specific events/actions which may have a major bearing on the Company's affairs.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
FCS No.:7775
CP No.: 8612
UDIN : F007775D000585374

Place : Delhi
Date : August 17, 2020

Annexure A to the Secretarial Report

To
The Members,
Panacea Biotec Limited,
Ambala-Chandigarh Highway,
Lalru -140 501, Punjab

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
FCS No.:7775
CP No.: 8612
UDIN : F007775D000585374

Place : Delhi
Date : August 17, 2020

Business Responsibility Report

This Business Responsibility Report ("BRR") for the financial year ended March 31, 2020 conforms to the Business Responsibility Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated the inclusion of BRR as part of the Company's Annual Report for top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) and the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L33117PB1984PLC022350
2. Name of the Company : Panacea Biotec Limited (the "Company" or "Panacea Biotec")
3. Registered Address : Ambala - Chandigarh Highway, Lalru - 140 501, Punjab, India
4. Website : www.panaceabiotec.com
5. E-mail ID : companysec@panaceabiotec.com
6. Financial Year reported : 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 21002 - Manufacture of allopathic pharmaceuticals preparations
8. List three key products / services that the Company manufactures / provides (as in balance sheet): The Company manufactures and markets a wide range of vaccines and pharmaceutical formulations in India and international markets.
9. Total number of locations where business activity is undertaken by the Company:
   i. Number of International Locations: The Company has 2 non-trading Offices in Russian Federation and Vietnam and 2 wholly-owned subsidiary companies in Switzerland and Germany, respectively.
   ii. Number of National Locations: The Company's businesses and operations are spread across different geographies in India. The Company has 2 state-of-the-art manufacturing facilities located at Lalru, Punjab and Baddi, Himachal Pradesh; 2 R&D Centres at Lalru, Punjab & New Delhi; 1 sales & marketing office at Mumbai; and 2 corporate offices at New Delhi. The Company also has 1 Central Warehouse at Baddi, Himachal Pradesh and 14 depots / CFAs across various locations in India. The details of business performance in Indian markets as well as International markets are reported as a part of the Management Discussion and Analysis Report, which forms a part of the Annual Report.
10. Markets served by the Company – Local / State / National / International: The Company has a significant presence in India and is also exporting its products to USA, Russian Federation, Serbia, Vietnam and other emerging markets in Asia and Africa.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details as on March 31, 2020
1.	Paid Up Share Capital	Rs.224.25 million
2.	Total Turnover	Rs.4,828.19 million (standalone)
3.	Total Profit/(Loss) after Tax	(Rs.1,530.70 million) (standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Not applicable
5.	List of activities in which the expenditure in 4 above has been incurred	Not applicable

SECTION C : OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes, the Company has subsidiary companies in India and overseas. The details of the subsidiaries have been disclosed in the Directors' Report forming part of the Annual Report for the financial year 2019-20.

2. Do the Subsidiary Company / Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary companies:

   None of the subsidiary companies except Panacea Biotec Pharma Limited, directly or indirectly, participate in Business Responsibility initiatives of the Company.

3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entities? [Less than 30%, 30 – 60% and More than 60%]:

   The Company has not instituted any process to monitor / verify whether any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for Business Responsibility:

   a. Details of the Director / Director responsible for implementation of the Business Responsibility policy / policies

Name	DIN	Designation
Dr. Rajesh Jain	00013053	Managing Director

   b. Details of the Business Responsibility Head

DIN (if applicable)	Dr. Rajesh Jain, Managing Director of Panacea Biotec, oversees the BR implementation. The Company has not appointed a BR Head as of now.
Name	
Designation	
Telephone number	
E-mail ID	

2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy/ Policies

   a. Details of compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics, Transparency and Accountability	Product Life Cycle Sustainability	Employee Well being	Stakeholder Engagement	Human Rights	Environment	Public Advocacy	Inclusive Growth and Equitable Development	Customer Value Creation
1	Do you have policy/policies for:	Yes								
2	Has the policy been formulated in consultation with relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are in line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?	All statutory policies have been approved by the Board of Directors and signed by the Chairman/ Managing / Joint Managing Director of the Board of Directors of the Company, whereas other policies are signed by the Managing Director or the respective business / unit head.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Policies are implemented and being reviewed regularly by the respective business / unit head.								
6	Indicate the link to view the policy online?	Relevant policies and code of conduct are available on the Company's website and can be viewed at: https://www.panaceabiotec.com/investor-zone								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal and external stakeholders and it is an ongoing process.								
8	Does the Company have in-house structure to implement its policy / policies?	Yes, the Company has necessary structure in place to implement the policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to policy/ policies?	Yes, the Company has necessary grievance redressal mechanism, to address stakeholders' grievances related to the policies.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes, the policies are evaluated internally.								

   b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to Business Responsibility

   a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

      The Company's Business Responsibility performance is reviewed annually by the Board of Directors.

   b. Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

      The Business Responsibility report will be published on annual basis. The Company is publishing the report for the first time along with the Annual Report of Panacea Biotec for the financial year 2019-20 and it can be viewed at: https://www.panaceabiotec.com/investor-zone.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company has adopted an Anti-Corruption Compliance Policy which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company under which strict action is envisaged against Company Personnel who are found indulged into the practice of giving / accepting undue favours to / from government officials or any other stakeholders like customers, investors, clients, third parties or other private parties.

   The Company is committed for maintaining the highest standards of ethical conduct. The Code of Conduct ("CoC") adopted by Panacea Biotec is applicable to all Board Members and employees of the Company and intends to remind them of their responsibility towards the community and build the relationship based on integrity, fairness and other values of the Company in their dealings with customers, vendors etc. which are testaments to the Company's efforts in ensuring that ethical conduct is not compromised. The Company encourages and expects the parties with whom the Company has dealings to comply with CoC to the extent possible.

   The Company has also implemented a Vigil Mechanism across the organisation to encourage reporting of unethical behaviour, actual or suspected fraud, unlawful or inappropriate activities and to act in accordance with the highest standards of integrity.

   The above mentioned Policy(ies)/Code(s) also extend to the Group / Joint Ventures.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the financial year 2019-20, the Company has received 2 anonymous complaints from the shareholders (through the stock exchanges / Registrar of Companies, Chandigarh) with respect to the Scheme of Arrangement for demerger of real estate business of the Company, which have suitably been responded during the financial year. After considering the Company's response and hearing all the concerned parties, the Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Chandigarh Bench vide its Order dated September 09, 2020 and the Scheme has become effective from September 10, 2020. Further, the Company has not received any significant external stakeholder complaint during the financial year 2019-20.

   Various Committees have been constituted and are in operation to address the needs / grievances / complaints of our various stakeholders. For instance, an Internal Complaints Committee has been constituted to address complaints of sexual harassment, if any; the Stakeholder's Relationship Committee reviews grievances of shareholders etc. The complaints received are thoroughly investigated and systematically resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

   Panacea Biotec touches the lives of millions every day through its vaccines and pharmaceutical products. Our manufacturing facilities are inspected by the World Health Organisation and the regulatory authorities of India and other major countries including US, Russia, Australia, Ukraine etc. The approvals are given after a thorough audit of standard operating procedures and protocols. Hence, utmost care is taken to ensure that products conform to stringent quality standards and bio-stability of products is submitted during the periodic audits.

   Quality is 'must - have' and patient safety is Panacea Biotec's primary focus. Panacea Biotec constantly monitors and improves its quality management encompassing each aspect of quality including quality systems, inspection readiness, quality risk management, quality performance and quality culture. Panacea Biotec aims to guarantee quality at each phase of a product's life cycle.

   Panacea Biotec's manufacturing facilities follows Good Manufacturing Practice (GMP) principles for product packaging and labelling. Products are appropriately labelled as per Drug regulations. The authenticity and anti-counterfeit feature for the product is maintained by using suitable security seals in the packaging along with unique serialization and QR Code, as implemented for some products.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

   (i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

   The Company produces several vaccines and pharmaceutical formulations at various manufacturing sites and distributes a wide range of branded formulations, generics and vaccines and purchases a large number of active pharmaceutical ingredients, drug substances, raw materials and packaging materials. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

   (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several ongoing measures to reduce consumption of water and energy.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

   The Company has identified approved vendors for procuring materials and a Standard Operating Procedure is in place for sourcing raw materials both from local as well international sources. Majority of procurement of materials is from the approved vendors.

   The Company's quality assurance team conducts periodic audits of vendors, especially those who supply key materials. The Company has long standing business relations with regular vendors and continues to receive unrelenting support from its vendors.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   As far as feasible, the Company procures goods and avail services from local and small vendors for its manufacturing premises and offices, particularly those located around its manufacturing and other locations. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The pharmaceutical products cannot be recycled. The waste generated in the Company's operations is either recycled or disposed of in safe and scientific manner as per applicable rules / laws. Each manufacturing facility has its own Effluent Treatment Plant as well as tie-up with approved waste management vendors, which ensures discharge of waste meets the norms prescribed by respective pollution control boards.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees: 849
2. Please indicate the total number of employees hired on temporary / contractual / casual basis: 207
3. Please indicate the number of permanent women employees: 77
4. Please indicate the number of permanent employees with disabilities: 01
5. Do you have an employee association that is recognised by management: No
6. What percentage of your permanent employees are members of this recognised employee association?: Not applicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints received during the financial year	No. of complaints pending at the end of the financial year
a.	Child Labour/ Forced Labour/ Involuntary Labour	Nil	Nil
b.	Sexual Harassment	Nil	Nil
c.	Discriminatory employment	Nil	Nil

   As a responsible corporate citizen, Panacea Biotec does not have nor encourages any form of child labour, forced labour or bonded labour. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   The permanent and contractual employees at the Company's manufacturing sites, R&D Centre and other corporate offices are provided training on relevant Environment, Health and Safety aspects ("EHS"). Around 21.19% employees of the total strength were imparted training for EHS during the year.

   Further, permanent and contractual employees are also given soft skill up-gradation training to improve their skills as may be relevant to the respective functions. Around 35.80% employees of the total strength were imparted training for skill development during the year.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders? : Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders: Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so: Yes, the Company has undertaken several activities which includes disaster relief through donation of medicines etc.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   In line with the Company's commitment to respect and protect human rights, the Company neither hires child labour, forced labour or involuntary labour nor discriminates between its employees. The Company's code of conduct and the human resource practices cover most of these aspects. This policy extends to the entire Panacea Group.

2. How many stakeholder complaints have been received in the past financial year on breach of human rights and what percent was satisfactorily resolved by the management?

   No complaints on breach of human rights were received by the Company during the financial year 2019-20.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.

   The Company has a Policy on Environment Occupational Health and Safety (EOHS), which covers all the operations of the Company and the same extends to subsidiaries of the Company, wherever applicable.

   The Company is committed towards conservation of the environment and compliance with all requirements related to Environment, Health and Safety (EHS). The Company undertakes all its operations with a high concern and sincerity for environment and its surroundings as well as the safety and health of people. The Company has dedicated EOHS Protection department and also engages the services of consultant for independent evaluation of EOHS activities. The Company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

   The Company has not taken any such strategies / initiatives. However, the Company has plans to switch over to renewable source of energy in due course of time.

3. Does the Company identify and assess potential environmental risks? Y / N

   Yes, the Company has identified and regularly assess potential environmental risks. The risks identified by the Company and the corrective measures being taken by the Company include the following:

   Waste Water generated during production of Vaccines: The manufacturing facilities have Effluent Treatment Plants which are operational and are regularly monitored for compliance with the prescribed limits/ parameters.

   Biomedical and Hazardous Waste: The biomedical and hazardous wastes generated at the manufacturing facilities are being disposed of as per the prescribed rules and regulations.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Presently, the Company does not have any such mechanism in place.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page, etc.

   As a part of the Company's initiatives for use of renewable energy, the Company has undertaken initiatives for use of renewable energy and applied for setting-up hydro power projects in the state of Himachal Pradesh and Arunachal Pradesh through its joint ventures. However, no major investments / activities have yet been undertaken in this regard.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

   Emission / waste generated by the Company are within the permissible limits given by CPCB / SPCB for the financial year 2019-20.

7. Number of show cause or legal notices received from CPCB or SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   The Company has not received any legal notices from CPCB or SPCB during the Financial Year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with

   The Company is a member of following Chambers and Associations:

   A. Indian Pharmaceutical Alliance,

   B. Federation of Indian Chambers of Commerce and Industry (FICCI),

   C. The Indian Drug Manufacturers Association,

   D. Confederation of Indian Industry, and

   E. Federation of Indian Export Organisations.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   The Company interacts with Government / Regulatory Authorities on any public policy framework through apex industry institutions, like Indian Pharmaceutical Alliance, Federation of Indian Chambers of Commerce and Industry, The Indian Drug Manufacturers Association and Confederation of Indian Industry. The Company puts forth its views on new standards or regulatory developments pertaining to the pharmaceutical manufacturing industry, broadly in the areas concerning access to medicines, best practices, corporate governance, corporate social responsibility, etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Panacea Biotec is committed to working in collaboration with relevant stakeholders to increase access to healthcare and quality medicines designed to improve people's health within an economically sustainable framework that supports innovation. Panacea Biotec's aim is to meet the needs of the greatest number of patients and human beings across the globe.

The key initiatives taken under CSR program were awareness initiatives on Diabetes, Cancer, Cardiovascular & Osteoporosis diseases; Organ Donation and lifestyle management with such chronic diseases; and training on critical healthcare. The key programs of the Company for creating awareness provides patients with educational material and other resources to teach them how to cope with chronic diseases and adapt to the lifestyle that will help them better manage their condition and lead a good quality of life.

2. Are the programmes/projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?

   These programs are undertaken internally by an in-house team and also with the help of NGOs

3. Have you done any impact assessment of your initiative?

   No

4. What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken?

   While the Company participates in various community development activities, however, the Company has not separately measured its contribution to community development projects. Moreover, the Company was not required to undertake any CSR initiatives as the provisions of the Companies Act, 2013 relating to CSR are not attracted to the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   No

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as at the end of financial year?

   There were no customer complaints received / consumer cases filed against the Company in the reporting period. There are no complaints or consumer cases pending as on the end of the financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes /No / N.A. / Remarks (additional information)

   Yes, the Company displays all product information on the product label, which is mandatory and as may be required for the use of the products by the consumers.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No, the Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behaviour. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell has been set up to track, review and act on any adverse event complaints. Post marketing surveillance is also carried out by the marketing team as well as with the help of medical professionals to track and monitor the efficacy and safety of the products.

For Panacea Biotec Limited

Place: New Delhi
Dated: November 11, 2020

Soshil Kumar Jain
Chairman

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

At Panacea Biotec, Corporate Governance is a reflection of its value system encompassing its culture, policies and relationships with its shareholders. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Corporate Governance is the key attribute in ensuring commitment to values, ethical business conduct, investors' protection, excellent work environment leading to highest standards of management and maximization of everlasting long-term values. It is about how an organization is being managed. Panacea Biotec beholds Corporate Governance measures as an integral part of business which adds to considerable internal and external values and contributes to business growth.

Panacea Biotec believes in the philosophy of practicing code of Corporate Governance that provides a framework by which the rights and responsibilities of different constituents such as the Board, employees and shareholders are defined.

The Company believes that timely and accurate disclosure of information, transparency in accounting policies and a strong and independent Board are critical for maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value. For establishing good corporate governance, the Company has put systems, procedures, policies, practices, standards in place to ensure effective strategic planning, optimum risk management, integrity of internal control and reporting. The Company's philosophy on Corporate Governance is, thus, concerned with the ethics, values and morals of the Company and its directors who are expected to act in the best interests of the Company and remain accountable to members and other beneficiaries for their actions and properly comply with all the applicable legal and regulatory requirements.

2. Board of Directors

a) Composition, Category & Size of Board: The Company's policy is to have an appropriate blend of executive directors and non-executive directors, representing a judicious mix of professionalism, knowledge and experience, in line with the management's commitment for the principle of integrity and transparency in business operations for good corporate governance.

During the year under review, the Board of Directors of the Company has further been strengthened in the form of induction of 1 nominee director and 1 independent director having expertise in diverse fields. As on March 31, 2020, the Board is comprised of 14 members (including two women directors) out of which 6 are executive directors, 1 is nominee director and 7 are non-executive independent directors. The composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") enjoining optimum combination of executive and non-executive directors, with not less than 50 percent of the Board comprising of non-executive directors and at least one-half comprising of independent directors.

b) Board functioning & procedure:

i) Background: With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussions and decisions by the Board, the Company has defined procedures for meetings of the Board of Directors and Committees thereof.

The Board is committed to ensure good governance through a self-governing style of functioning. The directors enjoy complete freedom to express their opinion. The decisions are taken on the basis of consensus/majority arrived at after detailed discussions. The directors are also free to bring up any matter for discussion at the Board Meetings.

ii) Scheduling and Selection of Agenda items: The Board meets at least four times in a year, with a maximum time gap of 120 days between any two meetings, to discuss and review the quarterly results and other items of agenda, including the minimum information required to be placed before the Board, as per Part A of Schedule II of SEBI LODR Regulations. The Board also meets and conducts additional meetings as and when required and thought fit. The dates for the Board Meetings are decided in advance and timely communicated to the Directors.

The Chairman / Managing Director / Joint Managing Director of the Board and the Company Secretary discuss the items to be included in the agenda. The agenda of the meeting along with relevant supporting documents and explanatory notes is generally circulated in advance (at least one week before the meeting) to all the directors entitled to receive the same, to facilitate meaningful and quality discussions during the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda.

iii) Minimum Information placed before the Board Members: In addition to the regular business items, the Company provides the following information to the Board and/or Board Committees as and when required, either as part of the agenda papers or by way of presentations and discussion material during the meetings:

- Annual operating plans & budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems;

Report on Corporate Governance

- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement, if any;
- Transactions, if any, that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problems and their proposed solutions;
- Any significant development in human resources/ industrial relations front;
- Any sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

iv) Recording Minutes of the Proceedings: The minutes of the proceedings of each Board / Committee / Shareholders' Meetings are recorded. Draft minutes of the Board/Committee meetings are circulated amongst all the members of the Board / Committee for their feedback/comments. The minutes of all the meetings are entered in respective Minutes Books within prescribed time limits.

v) Post Meeting Follow-Up Mechanism: In adherence to good corporate governance, the important and significant decisions taken at the Board/ Committee levels are promptly communicated to the concerned departments. Moreover, the action taken in respect of such decisions is also reported in the form of status report and is placed at the next meeting of the Board / Committee.

vi) Statutory Compliance of Laws: The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances if any.

c) Board Meetings and attendance: During the financial year 2019-20, four (4) Board Meetings were held on May 30, 2019, August 12, 2019, November 14, 2019 and February 14, 2020.

The attendance of directors at Board Meetings and last Annual General Meeting ("AGM") and number of other directorships & committee memberships/chairmanships as on March 31, 2020, is as under:

S. No.	Name of Director and Category of Directorship	No. of board meetings held during the tenure	Attendance at meetings during 2019-20		No. of Directorships[$] and Committee Memberships/ Chairmanships[$$] held in other Companies			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM	Directorships	Committee Memberships	Committee Chairmanships	
1.	Mr. Soshil Kumar Jain, Promoter - WTD - Chairman	4	1	No	3	0	0	Nil
2.	Dr. Rajesh Jain, Promoter - MD	4	4	No	3	0	0	Nil
3.	Mr. Sandeep Jain, Promoter - JMD	4	4	Yes	2	0	0	Nil
4.	Mrs. Sunanda Jain, Promoter Group - WTD*	4	2	No	2	0	0	Nil
5.	Mr. Sumit Jain, Promoter Group - WTD*	4	3	No	15	0	0	Nil
6.	Mr. Ankesh Jain, Promoter Group - WTD	4	2	No	2	0	0	Nil
7.	Mr. Nithin Krishna Kaimal, NENID**	3	3	No	NA	NA	NA	NA
8.	Mr. Shantanu Yeshwant Nalavadi, NEND***	1	0	NA	3	0	0	Nil
9.	Mr. Ashwini Luthra, NEID	4	4	No	0	0	0	Nil
10	Mr. Bhupinder Singh, NEID****	4	4	No	3	0	0	Avonmore Capital & Management Services Limited - NEID Emmsons International Limited - NEID
11.	Mr. K. M. Lal, NEID	4	4	No	3	4	1	Polylink Polymers (India) Limited - NEID
12.	Mrs. Manjula Upadhyay, NEID	4	3	No	2	0	0	Nil
13.	Mr. Mukul Gupta, NEID	4	2	No	0	0	0	Nil
14.	Mr. N. N. Khamitkar, NEID	4	3	Yes	3	2	1	Nil
15.	Mr. R. L. Narasimhan, NEID	4	4	No	3	2	1	Nil

Note: WTD = Whole-time Director, MD = Managing Director, JMD = Joint Managing Director, NENID = Non-Executive Non Independent Director, NEND = Non-Executive Nominee Director, NEID = Non-Executive Independent Director.

$ Excludes directorship in foreign companies, membership of managing committees of various chambers/bodies/Section 8 companies and the Company.

$$ In accordance with Regulation 26(1) of SEBI LODR Regulations, memberships/chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding the Company) have been taken into account.

* Ceased to be Whole-time Director of the Company from close of business hours on 07.10.2020.

** Appointed as Non-Executive Non-Independent Director of the Company w.e.f. 08.04.2019 and ceased to be director of the Company w.e.f 10.12.2019.

*** Appointed as Nominee Director of the Company w.e.f. 10.12.2019.

**** Appointed as Non-Executive Independent Director of the Company w.e.f. 08.04.2019.

None of the directors on the Board is a member in more than 10 committees across all the public limited entities in which he/she is a director and/or acts as Chairman of more than 5 committees across all the listed entities in which he/she is a director.

None of the independent directors is serving as an independent director in more than 7 listed companies including Panacea Biotec Ltd.

d) Disclosure of relationships between directors inter-se: Mr. Soshil Kumar Jain, Chairman of the Company is the father of Dr. Rajesh Jain & Mr. Sandeep Jain, Father-in-law of Mrs. Sunanda Jain (wife of Late Mr. Ravinder Jain & mother of Mr. Sumit Jain) and grandfather of Mr. Sumit Jain (son of Late Mr. Ravinder Jain & Mrs. Sunanda Jain) & Mr. Ankesh Jain (son of Dr. Rajesh Jain).

None of the other directors of the Company are related to each other.

e) Number of Shares held by Non-Executive Directors: Nil

f) Familiarization programme for the Independent Directors: The Company has established a Familiarization Programme for Independent Directors in terms of the provisions of the SEBI LODR Regulations. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

In terms of the provisions of the SEBI LODR Regulations, the Company has organized various familiarization programmes like plant visit, presentation on business and performance updates of the Company including Finance, Sales, Marketing etc. along with various changes in regulatory framework and its impact on the Company etc. for the Board members. The familiarization programme aims at helping the Board members to understand the functions and operations of the Company, its management, its business model and business risks, nature of industry in which it operates, the regulatory challenges apart from their roles, rights, responsibilities in the Company, etc.

The framework and the details of familiarization programme conducted for Board members may be accessed on the Company's website at the link: https://www.panaceabiotec.com/statutory-policies.

g) Key qualifications, core skills, expertise and attributes available with the Board: In terms of requirement of SEBI LODR Regulations and in the context of the Company's business and activities, the Board has identified the knowledge / expertise / core skills/ behavioral traits of the Directors, as given below:

- Knowledge: Specialization / Expertise in one or more fields of Science & Innovation, Research & Development, Finance & Accounts, Legal, Governance, Industry Knowledge, Risk Management, General Management.
- Skills: Business Leadership, Strategic Thinking/ Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills.
- Behavioral Traits: Integrity, Genuine interest, Interpersonal Skills / Communication, Active Participation.

The knowledge area/ skills/ behavioral traits of the Directors are given below:

Name of the Directors	Knowledge : Whether the Specialization / Expertise in one or more fields is possessed by the Director of the Company						
	Science & Innovation, Research & Development	Finance & Accounts	Legal	Governance	Industry Knowledge (Pharma Industry)	Risk Management	General Management
Mr. Soshil Kumar Jain, Promoter – WTD - Chairman	√	-	-	√	√	√	√
Dr. Rajesh Jain, Promoter - MD	√	√	√	√	√	√	√
Mr. Sandeep Jain, Promoter - JMD	√	√	√	√	√	√	√
Mrs. Sunanda Jain, Promoter Group - WTD*	-	-	-	√	-	√	√
Mr. Sumit Jain, Promoter Group - WTD*	√	-	-	√	√	√	√
Mr. Ankesh Jain, Promoter Group - WTD	√	√	√	√	√	√	√
Mr. Shantanu Yeshwant Nalavadi - NEND	-	√	-	√	√	√	√
Mr. Ashwini Luthra - NEID	-	√	√	√	-	√	√
Mr. Bhupinder Singh - NEID	-	√	-	√	√	√	√
Mr. K. M. Lal - NEID	-	√	√	√	√	√	√
Mrs. Manjula Upadhyay - NEID	-	-	√	√	√	√	√
Mr. Mukul Gupta - NEID	-	√	√	√	√	√	√
Mr. N. N. Khamitkar - NEID	-	-	-	√	√	√	√
Mr. R. L. Narasimhan - NEID	√	√	-	√	√	√	√

* Ceased to be Whole-time Director of the Company from close of business hours on 07.10.2020.

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As far as Skills namely Business Leadership, Strategic Thinking/ Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills and Behavioral Traits namely Integrity, Genuine interest, Interpersonal skills / Communication and Active Participation are concerned, all the Directors of the Company possess the same. The Independent directors fulfill the conditions specified in the SEBI LODR Regulations and are independent of the management.

The Board is satisfied that it is comprised of highly qualified members who possess required skills, expertise, diversity and competencies which is required for effective function of the Company and allow them to make effective contributions to the Board and its Committees. From time to time, members of the Board have also received recognition from the Government, industry bodies and business associations for the contribution made in their respective areas of expertise.

h) Confirmation regarding Independent Directors: The Independent Directors provide annual confirmations stating that they meet the criteria of independence as stated in Section 149(6) of the Act and Regulation 16 of the SEBI LODR Regulations. On the basis of confirmations/ declarations/ disclosures received from the Independent Directors and on evaluation of the relationship disclosed, the Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the Act and SEBI LODR Regulations and are independent of the management.

i) Separate Meeting of Independent Directors: During the year, one meeting of independent directors was held on August 12, 2019 without the attendance of non-independent directors and members of management to review the performance of the independent and non-independent directors including Chairman and the Board as a whole. All independent directors except Mr. Mukul Gupta and Mr. N. N. Khamitkar were present during the above said meeting.

They also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

The independent directors also provided the feedback to the Board about the key elements that emerge out of the meeting.

j) Independent director databank registration: Pursuant to the requirements issued by Ministry of Corporate Affairs ("MCA") vide its notification dated October 22, 2019, all independent directors have completed their registration in the databank of Indian Institute of Corporate Affairs ("IICA"). Requisite disclosures under Section 149(6) of the Act, have also been received from the independent directors in this regard.

k) Code of Conduct: The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The said Code has been communicated to the directors and senior management personnel and is also available on the website of the Company and can be accessed through the link: https://www.panaceabiotec.com/code-of-conduct.

Declaration from the Managing Director confirming that the Company has received affirmations from the Board members and the senior management personnel regarding compliance of Code of Conduct during the year under review, is annexed as **Annexure – I** and forms part of this Report.

l) Succession planning: The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee of the Company works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management.

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met. The Board members also bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

m) Brief profile of Directors seeking appointment / re-appointment: The brief resume, experience and other details pertaining to the Directors seeking appointment/ re-appointment in the ensuing AGM, to be provided in terms of Regulation 36(3) of SEBI LODR Regulations, is furnished below:

i) Mr. Soshil Kumar Jain
Age: 87 Years
Qualification: Qualified Pharmacist

Professional Expertise: He has more than 63 years' experience in the pharmaceutical industry. He is the founder promoter & director of the Company and has been its Chairman since October, 1984. He started his career in the Indian pharmaceutical industry by joining his family business in the form of a chemist shop set up by his father. Prior to promoting Panacea Biotec, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products. He is involved in the strategic planning, vision and formulation of strategies for the Company.

Inter-se relationship between directors: He is related to Dr. Rajesh Jain, Mr. Sandeep Jain, Mrs. Sunanda Jain, Mr. Sumit Jain and Mr. Ankesh Jain.

Directorships: He is a director of PanEra Biotec Private Limited, Neophar Alipro Limited and Adveta Power Private Limited.

Committee Membership/ Chairmanship: He is the Chairman of Executive Committee of the Company. Further, he does not hold Committee Membership/ Chairmanship in any other company.

Shareholding in the Company: He holds 50,00,000 Equity Shares of Re.1 each, comprising 8.16% of total Equity Share Capital of the Company. He also holds 65,04,300, 0.5% Cumulative Non-Convertible & Non-Participating Redeemable Preference Shares of Rs.10/- each, comprising 40.31% of total Preference Share Capital of the Company.

ii) Mr. Mukul Gupta

Age: 63 years

Qualification: Mr. Mukul Gupta is a Law graduate and holds a Bachelor Degree in Economics (Hons.).

Professional Expertise: Mr. Mukul Gupta as a Corporate Governance Expert has a vast experience of more than 17 years as an Independent Director on the Board of companies dealing in the field of Auto Components as well as Medicine & Vaccine. He is a member of Supreme Court Bar Association, New Delhi since 1985 as well as member of International Bar Association. He was also an Advisor to the Government of Uttar Pradesh on Goods & Service Tax issues. He was invited in June 2014 to hear his views by the Standing Committee on Finance of Lok Sabha considering the 115th Constitutional Amendment Bill and was again invited in June 2015 by the Select Committee of Rajya Sabha considering the 122nd Constitutional Amendment Bill which had opened the passage for implementation of Goods & Service Tax in India. He was also the Secretary General of 'All India Federation of Tax Practitioners' for 2008 & 2009 and was National Vice President of 'All India Federation of Tax Practitioners' for 2014 & 2015 and presently National Executive Member of 'All India Federation of Tax Practitioners'.

Mr. Mukul Gupta is awarded and recognized by various professional bodies at national and local level for outstanding achievements and contribution in the legal profession including recognition as speaker. He has been conferred with 'life time achievement award' by Ghaziabad Bar Association.

Inter-se relationship between directors: He is not related to any other Director of the Company.

Directorships: He does not hold directorship in any other company.

Committee Membership / Chairmanship: He does not hold Committee Membership / Chairmanship in any Company.

Shareholding in the Company: Nil

iii) Mr. Shantanu Yeshwant Nalavadi

Age: 50 years

Qualification: Chartered Accountant

Professional Expertise: He carries with him more than two and half decades of experience in banking and financial services. He is currently the Managing Director of India Resurgence Asset Management Business Private Limited (IndiaRF), a Piramal Enterprises Limited and Bain Capital Credit Partnership. Prior to that, he was the co-head of the structured investment group with Piramal Enterprises Ltd. and before that he was a Partner with New Silk Route Advisors Pvt. Ltd., a Private Equity Fund with over USD 850 million in AUM. His vast work tenure includes work experience with global MNCs such as ANZ Grindlays Bank, Star TV and Walt Disney with P/L and business development responsibilities.

Inter-se relationship between directors: He is not related to any other Director of the Company.

Directorships: He is the Director of India Resurgence ARC Private Limited, Archean Chemical Industries Private Limited and Panacea Biotec Pharma Limited.

Committee Membership/Chairmanship: He is the Member of Nomination & Remuneration Committee of the Company.

Shareholding in the Company: Nil

3. Audit Committee

a) Composition: The composition of the Audit Committee of the Board of Directors of the Company meets the requirements of Section 177 of the Companies Act, 2013 ("Act") and Regulation 18 of SEBI LODR Regulations. The composition of the Audit Committee during the year under review was as under:

S. No.	Name	Position	Category
1	Mr. R. L. Narasimhan	Chairman	Independent Director
2	Mr. K. M. Lal	Member	Independent Director
3	Mr. N. N. Khamitkar	Member	Independent Director
4	Mr. Nithin Krishna Kaimal*	Member	Non-Executive Non-Independent Director

* Appointed as member w.e.f. 08.04.2019 and ceased to be member w.e.f. 10.12.2019.

The Committee comprises of non-executive directors with majority of independent directors who are financially literate persons having vast experience in the area of finance, accounts, strategy & management. The Chairman of the Audit Committee is an independent director.

The management is responsible for the Company's internal controls and the financial reporting process, while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

b) Terms of Reference: The terms of reference and scope of the Audit Committee, inter-alia, include the following:

- To oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend to the Board, the appointment/ re-appointment, remuneration and terms of appointment of auditors;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act;
  - Any changes in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosures of any related party transactions; and
  - Qualifications/ Modified opinion(s) in the draft audit reports.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if any, the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Approval of, or any subsequent modification of, transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Reviewing the utilization of loans and/ or advances from/ investment by the Company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- Evaluation of Valuation of undertakings or assets of the Company, wherever it is necessary;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussions with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into 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;
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle blower Mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee;
- To carry out any other duties/terms of reference which are incidental/necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c) Review of information by Audit Committee: Apart from other matters, as per Regulation 18(3) of SEBI LODR Regulations, the Audit Committee reviews, to the extent applicable, the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
- Management letters / letters of internal control weaknesses, if any, issued by statutory auditors;
- Internal Audit Reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the internal auditors; and
- Statement of Deviations, if applicable:
  a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI LODR Regulations.
  b) Annual statements of funds utilized for purposes other than those stated in the offer documents/ prospectus/ notice, if applicable, in terms of Regulation 32(7) of SEBI LODR Regulations.

The Audit Committee is also vested with the following powers:

- To investigate into any matter in relation to the items specified in Section 177 of the Act or referred to it by the Board and for this purpose, the Audit Committee has full access to the information contained in the records of the Company and external professional advice, if necessary;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

d) Meetings of Audit Committee and attendance of members: During the financial year 2019-20, four (4) meetings of the Audit Committee were held on May 29, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during the tenure	Attended during the tenure
1	Mr. R. L. Narasimhan	4	4
2	Mr. K. M. Lal	4	3
3	Mr. N. N. Khamitkar	4	3
4	Mr. Nithin Krishna Kaimal*	3	3

* Appointed as member w.e.f. 08.04.2019 and ceased to be member w.e.f. 10.12.2019.

The Audit Committee meets at least four times in a year, with a maximum time gap of 120 days between any two meetings.

The Statutory Auditors, Internal Auditors, Joint Managing Director, Associate Director Finance, Chief Financial Officer and D.G.M. Audit & Compliance & Coordinator of Audit Committee are the permanent invitees to the meetings of Audit Committee and provide such information and clarifications as required by the Audit Committee, which provides a deeper insight into the respective business and functional areas of operations. Apart from them, other officials of the Company attended one or more of the Audit Committee Meetings during the year under review.

The Cost Auditors and the Internal Auditors also attend the respective Audit Committee Meetings, where cost audit reports/ internal audit reports are discussed.

The Company Secretary of the Company is acting as the Secretary to the Audit Committee.

The Chairman of the Audit Committee, Mr. R. L. Narasimhan was not present at the last AGM of the Company held on September 30, 2019 and in his absence other member of the Committee viz. Mr. N. N. Khamitkar, authorized by him, attended the AGM.

4. Nomination and Remuneration Committee

a) Composition: The composition of Nomination and Remuneration Committee of the Board of Directors of the Company meets the requirements of Section 178 of the Act and Regulation 19 of SEBI LODR Regulations. The composition of the Committee during the year under review was as under:

S. No.	Name	Position	Category
1	Mr. R. L. Narasimhan	Chairman	Independent Director
2	Mr. K. M. Lal	Member	Independent Director
3	Mr. N. N. Khamitkar	Member	Independent Director
4	Mr. Nithin Krishna Kaimal*	Member	Non-Executive Non-Independent Director
5	Mr. Shantanu Yeshwant Nalavadi**	Member	Nominee Director

* Appointed as member w.e.f. 08.04.2019 and ceased to be member w.e.f. 10.12.2019.

** Appointed as member w.e.f. 05.02.2020.

The Committee comprises of non-executive directors with majority of independent directors. The Chairman of the Committee is an independent director.

b) Terms of Reference: The terms of reference of the Nomination and Remuneration Committee, inter-alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes; and
- To carry out any other duties/ terms of reference which are incidental/ necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c) Meeting of Nomination and Remuneration Committee and attendance of members: During the financial year 2019-20, three (3) meetings of the Nomination and Remuneration

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Committee were held on May 30, 2019, August 12, 2019 and February 14, 2020. The attendance of members of the Nomination and Remuneration Committee at the meeting was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during the tenure	Attended during the tenure
1	Mr. R. L. Narasimhan	3	3
2	Mr. K. M. Lal	3	2
3	Mr. N. N. Khamitkar	3	2
4	Mr. Nithin Krishna Kaimal*	2	2
5	Mr. Shantanu Yeshwant Nalavadi**	1	0

* Appointed as member w.e.f. 08.04.2019 and ceased to be member w.e.f. 10.12.2019.

** Appointed as member w.e.f. 05.02.2020.

The Company Secretary of the Company is acting as the Secretary to the Nomination and Remuneration Committee.

The Chairman of the Committee, Mr. R. L. Narasimhan was not present at the last AGM of the Company held on September 30, 2019 and in his absence other member of the Committee viz. Mr. N. N. Khamitkar, authorized by him, attended the AGM.

d) Performance Evaluation Criteria for Independent Directors: Pursuant to the applicable provisions of the Act and the SEBI LODR Regulations, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, including independent directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committees, such as adequacy of the constitution & composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meetings, Board's focus, regulatory compliances and corporate governance, etc. Similarly, for evaluation of individual director's performance, the questionnaire covers various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc. Board members had submitted their response on a scale of 1 (outstanding) to 5 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

The independent directors had met separately without the presence of non-independent directors and the members of management and discussed, inter-alia, the performance of non-independent directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and non-executive directors.

The Nomination and Remuneration Committee has also carried out evaluation of each director's performance.

The performance evaluation of the independent directors has been done by the entire Board, excluding the director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

e) Remuneration Policy: The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

The key components of the Company's remuneration policy are:

- Compensation will be based on credentials and the major driver of performance;
- Compensation will be competitive and benchmarked with a select group of companies from the pharmaceutical sector; and
- Compensation will be fully transparent and tax compliant.

The details of this policy are available on the Company's website viz. https://www.panaceabiotec.com.

5. Remuneration of Directors

Remuneration of the executive directors consists of basic salary, perquisites and variable portion in the form of commission on profits in the case of Chairman, Managing Director & Joint Managing Director, as approved by the Board of Directors and shareholders of the Company within the limits prescribed in Schedule V to the Act. The Nomination and Remuneration Committee recommends to the Board the compensation package of the executive directors.

a) Remuneration to Executive Directors: The details of remuneration paid to Chairman / Managing / Joint Managing / Whole-time Directors during the financial year 2019-20 are as under:

(Rs. in million)

S. No.	Name	Designation	Salary	Allowances/Perquisites	Total
1.	Mr. Soshil Kumar Jain	Chairman	9.60	1.90	11.50
2.	Dr. Rajesh Jain	Managing Director	6.00	1.54	7.54
3.	Mr. Sandeep Jain	Joint Managing Director	5.52	1.30	6.82
4.	Mrs. Sunanda Jain[1]	Whole-time Director	4.80	0.69	5.49
5.	Mr. Sumit Jain[1]	Director Operations & Projects	3.60	0.80	4.40
6.	Mr. Ankesh Jain	Director Sales & Marketing	1.80	0.76	2.56

Notes:

1. Ceased to be Whole-time Director of the Company from close of business hours on 07.10.2020.
2. The tenure of office of Chairman/ Managing/ Joint Managing/ Whole-time Directors is for 3 (three) years from their respective date of appointments and can be terminated by either party by giving three months' notice in writing or a shorter period as decided mutually. No severance fee is payable on termination of contract.
3. The Company has an Employees' Stock Option Scheme which was approved by its shareholders through Postal Ballot on 17.07.2020. However, further steps are yet to be taken pursuant to such Scheme.
4. All elements of remuneration of the Chairman/ Managing/ Joint Managing/ Whole-time Directors, i.e., salary, perquisites and other benefits, etc. are given in Note 43 C to the Financial Statements of the Company.
5. The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis.

b) Remuneration to Non-Executive Directors: The non-executive directors are being paid only the sitting fees for attending the meetings of the Board or Committees of the Board of Directors, of such sum as may be approved by the Board of Directors within the overall limits as prescribed under the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of sitting fees paid to the non-executive directors during financial year 2019-20 are as under:

(Rs. in million)

S. No.	Name	Sitting Fees
1	Mr. Ashwini Luthra	0.20
2	Mr. Bhupinder Singh*	0.20
3	Mr. K. M. Lal	0.26
4	Mrs. Manjula Upadhyay	0.15
5	Mr. Mukul Gupta	0.10
6	Mr. N. N. Khamitkar	0.19
7	Mr. R. L. Narasimhan	0.28

* Appointed as Non-Executive Independent Director w.e.f. 08.04.2019.

The non-executive director also gets reimbursement of the expenses incurred by him/ her for attending the meeting of the Board and/or Committee thereof.

There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors except those disclosed in the Financial Statements for the financial year ended on March 31, 2020.

None of the non-executive directors holds any shares of the Company.

6. Stakeholders' Relationship Committee

a) Composition: The composition of Stakeholders' Relationship Committee of the Board of Directors of the Company meets the requirements of Section 178 of the Act and Regulation 20 of SEBI LODR Regulations.

The composition of the Committee during the year under review was as under:

S. No.	Name	Position	Category
1	Mr. K. M. Lal	Chairman	Independent Director
2	Mr. R. L. Narasimhan	Member	Independent Director
3	Mr. Sandeep Jain	Member	Executive Director

b) Role & Terms of Reference: The Stakeholders' Relationship Committee plays an important role in acting as a link between the management and ultimate owners of the Company i.e., the shareholders. The Committee looks after the redressal of investors' grievances and performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

The terms of reference of the Stakeholders' Relationship Committee, inter-alia, includes the following:

- Approve issue of duplicate shares /debentures certificates;
- Oversee the performance of the Company's Registrar and Transfer Agent;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
- Consider, resolve and monitor various aspects of interest of shareholders, debenture holders and other security holders including the redressal of the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- Review measures taken for effective exercise of voting rights by shareholders;
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent and recommend methods to upgrade the service standards adopted by the Company;
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company; and
- Carry out any other matter relating to securities of the Company, any other areas of investors' service and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Other Terms:

- The Company may delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- The Committee may invite other directors/ officers of the Company to attend the meetings of the Committee as invitees from time to time as and when required.

The Chairman, or in his absence any other member of Committee authorised by him, attends the general meeting of the shareholders of the Company.

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c) Meetings of Stakeholders' Relationship Committee and attendance of members: During the financial year 2019-20, five (5) meetings of Stakeholders' Relationship Committee were held on April 08, 2019, May 30, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The attendance of members of the Stakeholders' Relationship Committee at these meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		Held during the tenure	Attended during the tenure
1	Mr. K. M. Lal	5	4
2	Mr. R. L. Narasimhan	5	4
3	Mr. Sandeep Jain	5	5

The Company Secretary of the Company is acting as the Secretary to the Stakeholders' Relationship Committee.

Compliance Officer: Mr. Vinod Goel, Group CFO and Head Legal & Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6(1) of SEBI LODR Regulations and is duly assisted by qualified company secretaries.

The Chairman of the Committee, Mr. K. M. Lal was not present at the AGM of the Company held on September 30, 2019 and in his absence other member of the Committee viz. Mr. Sandeep Jain, authorized by him, attended the AGM.

d) Stakeholders' Grievance Redressal: The details of Investors complaints received and resolved during the financial year 2019-20 are as under:

No. of Investor Complaints			
Pending as at April 01, 2019	Received from April 01, 2019 to March 31, 2020	Resolved from April 01, 2019 to March 31, 2020	Pending as at March 31, 2020
NIL	2	2	NIL

The Company put utmost priority to the satisfaction of its shareholders. The Company maintains continuous interaction with its Registrar and Share Transfer Agent ("RTA") viz. Skyline Financial Services Pvt. Ltd. and takes proactive steps and actions for resolving shareholder complaints / queries. The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/ issues have been resolved expeditiously, except in case of dispute over facts or other legal constraints. There were no share transfers lying pending as on March 31, 2020.

The Company also has regular interaction with the Debenture Trustee to ascertain the grievances, if any, of the Debenture holders.

7. General Body Meetings

a) Annual General Meetings: During the preceding three years, the Company's Annual General Meetings were held at the Registered Office of the Company situated at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The date and time of the last three Annual General Meetings and the special resolutions passed thereat with requisite majority are as under:

Financial Year	Date	Time	Special Resolution(s) passed
2018-19	30.09.19	11:30 A.M.	• Re-appointment of Mrs. Manjula Upadhyay as an Independent Director. • Revision in the limits of Financial Indebtedness.
2017-18	29.09.18	11:30 A.M.	• Re-appointment of Mr. Soshil Kumar Jain as Whole-time Director designated as Chairman. • Re-appointment of Dr. Rajesh Jain as Managing Director. • Re-appointment of Mr. Sandeep Jain as Joint Managing Director. • Appointment of Mrs. Sunanda Jain as Whole-time Director. • Re-appointment of Mr. Sumit Jain as Whole-time Director designated as Director Operations & Projects. • Re-appointment of Mr. Ankesh Jain as Whole-time Director designated as Director Sales & Marketing. • Re-appointment of Mr. Raghava Lakshmi Narasimhan as an Independent Director. • Re-appointment of Mr. Namdeo Narayan Khamitkar as an Independent Director. • Re-appointment of Mr. Krishna Murari Lal as an Independent Director.
2016-17	27.09.17	11:30 A.M.	• No Special Resolution was passed.

b) Extraordinary General Meetings: During the year under review, following Extraordinary General Meetings were held at the Registered Office of the Company situated at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The date and time of the Extraordinary General Meetings and the special resolutions passed thereat with requisite majority are as under:

Financial Year	Date	Time	Special Resolution(s) passed
2019-20	06.07.2019	11:30 A.M.	• Appointment of Mr. Bhupinder Singh as an Independent Director. • Adoption of new set of Memorandum of Association of Company. • Adoption of new set of Articles of Association of Company. • Approval of disclosure of ultimate beneficial ownership of India Resurgence Fund - Scheme 1, India Resurgence Fund - Scheme 2 and Piramal Enterprises Ltd, the allottees of Share Warrants.

Financial Year	Date	Time	Special Resolution(s) passed
2019-20	10.09.2019	11:30 A.M.	• Approval for waiver of recovery of excess managerial remuneration paid to Mr. Soshil Kumar Jain, Whole-time Director designated as Chairman. • Approval for waiver of recovery of excess managerial remuneration paid to Late Mr. Ravinder Jain (then Managing Director). • Approval for waiver of recovery of excess managerial remuneration paid to Dr. Rajesh Jain, Managing Director. • Approval for waiver of recovery of excess managerial remuneration paid to Mr. Sandeep Jain, Joint Managing Director. • Approval for waiver of recovery of excess managerial remuneration paid to Mrs. Sunanda Jain, Whole-time Director. • Approval for waiver of recovery of excess managerial remuneration paid to Mr. Sumit Jain, Whole-time Director designated as Director Operations & Projects. • Approval for waiver of recovery of excess managerial remuneration paid to Mr. Ankesh Jain, Whole-time Director designated as Director Sales & Marketing. • Approval for payment of managerial remuneration to Mr. Soshil Kumar Jain, Whole-time Director designated as Chairman. • Approval for payment of managerial remuneration to Dr. Rajesh Jain, Managing Director. • Approval for payment of managerial remuneration to Mr. Sandeep Jain, Joint Managing Director. • Approval for payment of managerial remuneration to Mrs. Sunanda Jain, Whole-time Director. • Approval for payment of managerial remuneration to Mr. Sumit Jain, Whole-time Director designated as Director Operations & Projects. • Approval for payment of managerial remuneration to Mr. Ankesh Jain, Whole-time Director designated as Director Sales & Marketing.

c) National Company Law Tribunal ("NCLT") convened Meetings: During the year under review, NCLT convened meetings of equity shareholders and unsecured creditors of the Company as on the cut-off date i.e. 30.06.2019, were held at the Registered Office of the Company situated at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The date and time of the respective NCLT convened Meetings of equity shareholders and unsecured creditors and the resolution passed thereat with requisite majority are as under:

Date	Meeting	Time	Resolution(s) passed
28.01.2020	Equity Shareholders	11:00 A.M.	• Consent to the Scheme of Arrangement between Panacea Biotec Limited and Ravinder Heights Limited and their respective shareholders and creditors
28.01.2020	Unsecured Creditors	02:00 P.M.	• Consent to the Scheme of Arrangement between Panacea Biotec Limited and Ravinder Heights Limited and their respective shareholders and creditors

d) Postal Ballot: During the financial year 2019-20, the Company did not pass any resolution through Postal Ballot. However, subsequent to the year under review, the Company had passed following special resolutions with requisite majority on July 17, 2020 through Postal Ballot, result of which was declared on July 18, 2020:

Special Resolution(s) passed	Votes casted in favour		Votes casted against	
	No. of votes	%	No. of votes	%
• Authority to make investments in the proposed Joint Venture Company.	6,68,90,359	100.0000%	26	0.0000%
• Approval of 'Panacea Biotec Limited - Employee Stock Option Plan 2020'.	6,68,90,063	99.9996%	272	0.0004%
• Approval of grant of employee stock options to the employees of the subsidiary company of the Company under Panacea Biotec Limited- Employee Stock Option Plan 2020.	6,68,89,791	99.9992%	544	0.0008%

Person conducting the postal ballot exercise:

Dr. Rajesh Jain, Managing Director, Mr. Sandeep Jain, Joint Managing Director, Mr. Sunil Anand, Associate Director Finance and Mr. Vinod Goel, Group CFO and Head Legal & Company Secretary of the Company were appointed as persons responsible for conducting postal ballot process in a fair and transparent manner.

Mr. Debabrata Debnath of M/s R&D Company Secretaries, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot process, through remote e-voting, in a fair and transparent manner.

A detailed procedure followed by the Company for conducting the Postal Ballot is provided hereunder:

Procedure followed: In compliance with Regulation 44 of SEBI LODR Regulations and provisions of Sections 108 and 110 and other applicable provisions of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and in accordance with the General Circulars issued by the Ministry of Corporate Affairs ("MCA") vide Nos. 14/2020, 17/2020 and 22/2020 dated April 08, 2020, April 13, 2020 and June 15, 2020, respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" issued by MCA ("MCA Circulars"), the Company extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form.

Further, in compliance with the requirements of the MCA Circulars, physical copy of the Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope was not sent to the shareholders for this Postal Ballot and the shareholders were required to communicate their assent or dissent through the remote e-voting system only.

Further, the Company sent the Postal Ballot Notice only by email to all its shareholders who have registered their email addresses with the Company or depository participants and the communication of assent / dissent of the members took place through the remote e-voting system. As required by Rule 20 and Rule 22 of the Rules read with the MCA Circulars and the SEBI LODR Regulations, the details pertaining to the Postal Ballot was published in one English national daily newspaper and one daily newspaper circulating in Lalru, Chandigarh (in vernacular language, i.e. Punjabi).

The Company availed the services of National Securities Depository Limited (NSDL) for the purpose of providing remote e-voting facility to all its members.

The Members desiring to exercise their votes were requested to vote by electronic mode before close of working hours on the last date of remote e-voting i.e. 05:00 p.m. IST on Friday, July 17, 2020.

The scrutinizer submitted his report to the Chairman, after the completion of scrutiny. The results of the voting by postal ballot (through remote e-voting) were then announced by the authorized officer. The results were also displayed on the website of the Company, https://www.panaceabiotec.com besides being communicated to the stock exchanges where the Equity Shares of the Company are listed, NSDL and Registrar & Share Transfer Agent. The last date specified for remote e-voting was deemed to be the date of passing of the resolutions.

None of the businesses are proposed to be transacted at the ensuing AGM which requires passing of a Special Resolution through Postal Ballot.

e) Participation and voting at the 36th Annual General Meeting ("AGM"): Pursuant to the General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by Securities and Exchange Board of India ("SEBI Circular"), the 36th AGM of the Company will be held through **Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")** and the detailed instructions for participation and voting at the meeting is available in the notice of the 36th AGM.

8. Means of communication

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of any disclosure, results etc. and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. Some of the modes of communication are mentioned below:

a) Results: The Quarterly/ Half-Yearly/ Annual results are published in the prominent daily newspapers, viz. Business Standard, New Delhi and Mumbai editions and in Desh Sewak, Chandigarh edition, the local newspaper published in the language of the region in which Registered Office is situated.

b) Intimation to the Stock Exchanges: The Company also intimates/ made disclosures to the Stock Exchanges about all price sensitive matters or such matters which, in its opinion, are material and of relevance to the shareholders and subsequently issues a press release on the matter, wherever necessary. The Company also regularly provides information to the stock exchanges as per the requirements of the SEBI LODR Regulations.

c) News Releases, Presentations: Press releases are sent to the Stock Exchanges before sending the same to media and are also displayed on the Company's website i.e. https://www.panaceabiotec.com.

d) Annual Reports: The Annual Report containing, inter-alia, Audited Financial Statements (Standalone as well as Consolidated), Directors' Report, Auditors' Report and other important information is sent to every shareholder of the Company and others entitled thereto by post/ email. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company under the link https://www.panaceabiotec.com/annual-reports-pbl.

e) Website: The Company's website, viz. https://www.panaceabiotec.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available and the said section is being regularly updated with the financial results, annual reports, official news releases and other important events.

f) Presentations to Institutional Investors/analysts: No presentations on Financial Results are made to the Institutional Investors or to the analysts.

g) SEBI Complaints Redressal System (SCORES): The investor complaints are processed by SEBI in a centralized web-based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

h) NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre): NEAPS and BSE Listing Centre are web based application systems for enabling corporates to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc. All filings made by the Company with the Stock Exchanges are done through NEAPS and BSE Listing Centre.

i) Designated Exclusive email-id: The Company has designated the following email-id for investor servicing: investorgrievances@panaceabiotec.com. Investors can also mail their queries to Registrar and Transfer Agent at admin@skylinerta.com or virenr@skylinerta.com.

9. General Information for Shareholders

a) Company Registration Details: The Company is registered in the State of Punjab, India. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs is L33117PB1984PLC022350.

b) Date of AGM: The 36th AGM is to be held on Thursday, the 24th day of December, 2020, at 11:30 A.M. through Video Conferencing/Other Audio Visual Means.

Remote e-voting Period: From Monday, December 21, 2020 (09:00 A.M.) to Wednesday, December 23, 2020 (05:00 P.M.)

c) Financial Year: The financial year of the Company covers the period from April 01 to March 31.

d) Financial Calendar 2020-21 (tentative):

S. No.	Tentative Schedule	Actual or Tentative Date (on or before) as the case may be
1.	Financial reporting for the quarter ending June 30, 2020	September 03, 2020 (Actual)
2.	Financial reporting for the quarter ending September 30, 2020	November 14, 2020
3.	Financial reporting for the quarter ending December 31, 2020	February 14, 2021
4.	Financial reporting for the quarter ending March 31, 2021	May 30, 2021
5.	Annual General Meeting for the year ending March 31, 2021	On or before September 30, 2021

e) Date of Book Closure: The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, December 17, 2020 to Thursday, December 24, 2020 (both days inclusive).

f) Dividend Payment Date: In view of losses during the financial year, the Board of Directors has not recommended any dividend on the Equity as well as Preference Shares of the Company.

g) Transfer of Unpaid/Unclaimed Dividends and Shares to Investor Education and Protection Fund (IEPF): Pursuant to the provisions of Section 124 of the Act read with Rules made thereunder, as amended from time to time, declared dividends which remained unpaid or unclaimed by the shareholders for a period of seven consecutive years or more is required to be transferred by the Company to the IEPF, which has been established by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year 2010-11 have been transferred to the IEPF.

Further, pursuant to the provisions of Section 124(6) of the Act read with Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend has not been claimed by the concerned shareholders for seven consecutive years or more shall be transferred by the Company into the Demat Account of IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial year 2010-11 and remained unclaimed for a continuous period of seven years have been transferred to the Demat Account of IEPF Authority.

The details of the shares transferred and held by IEPF Authority as on March 31, 2020 is as under:

S. No.	Particulars	No. of shares
1.	No. of shares transferred during the financial year 2017-18	72,879
2.	No. of shares transferred during the financial year 2018-19	42,414
3.	Total shares transferred	1,15,293
4.	Less: Shares transferred back to the Shareholders by the IEPF Authority	2,015
5.	Aggregate shares held by IEPF Authority	1,13,278

The details of such persons whose shares have been so transferred to the IEPF is available on the Company's website https://www.panaceabiotec.com.

Any person, whose shares and unpaid/unclaimed dividends get transferred to the IEPF may claim the shares and unpaid/unclaimed dividends from the IEPF in accordance with such procedure and on submission of such documents as prescribed.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

As on the date of this report, 2 shareholders holding 2,000 equity shares have lodged claims with the Company, for which additional documents have been requested by IEPF Authority and the same are under process.

h) Listing on Stock Exchanges: The Company's Equity Shares are listed on the following Stock Exchanges:

- The National Stock Exchange of India Limited, Bandra Kurla Complex, Bandra (E), Mumbai-400051 ("NSE").
- BSE Limited, P J Tower, Dalal Street, Fort, Mumbai-400001 ("BSE").

The Company's Preference Shares are not listed on any Stock Exchange.

The Company has paid listing fees for the financial year 2020-21 to both the above stock exchanges and there is no outstanding payment as on date.

Report on Corporate Governance

i) Payment of Depository(ies) fees: The Company has paid Annual Custody/ Issuer fee to both Depositories based on invoices received from the Depositories and there is no outstanding payment as on date.

j) Stock Code of Equity Shares:

- Trade Symbol at NSE is PANACEABIO.
- Stock Code at BSE is 531349.
- ISIN No. for Dematerialization is INE922B01023.

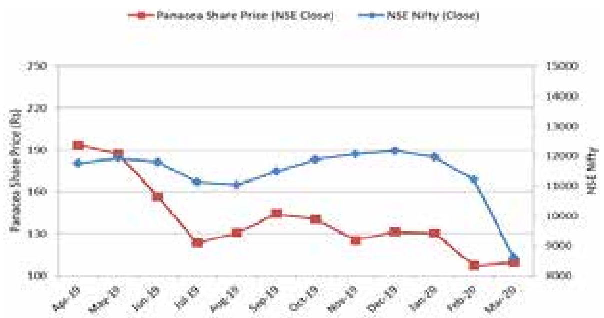
k) Stock Code of Preference Shares:

- ISIN No. for Dematerialization is INE922B04019.

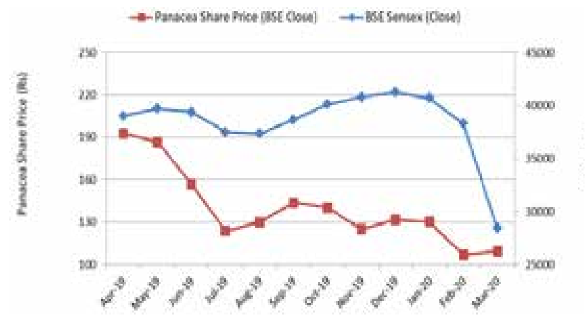
l) Market Price data: The Monthly High and Low prices of the shares of the Company at BSE and NSE during the year ended March 31, 2020 are as under:

Month	Share Price (Rs.) at BSE		Share Price (Rs.) at NSE	
	High	Low	High	Low
April, 2019	214.50	179.20	214.90	178.05
May, 2019	209.80	177.20	205.75	175.55
June, 2019	186.35	153.55	187.25	151.35
July, 2019	161.00	117.40	160.90	118.25
August, 2019	164.00	115.95	163.80	115.25
September, 2019	165.00	122.05	164.85	121.60
October, 2019	150.65	131.45	150.95	132.25
November, 2019	147.80	118.00	147.80	117.60
December, 2019	138.90	111.00	139.30	110.00
January, 2020	141.50	125.50	141.75	123.55
February, 2020	133.00	106.60	134.00	105.10
March, 2020	116.65	90.00	116.80	85.95

Share Performance of the Company in comparison to NSE Nifty



Share Performance of the Company in comparison to BSE Sensex



m) Share Price Performance in comparison to broad based indices - BSE Sensex & NSE NIFTY as on March 31, 2020:

Particulars	March 31, 2019	March 31, 2020	Changes in %
Panacea Biotec's Share Price (closing) at BSE	198.20	109.50	-44.75%
BSE Sensex Closing Price	38,672.91	29,468.49	-23.80%
Panacea Biotec's Share Price (closing) at NSE	198.05	109.25	-44.84%
NIFTY Closing Price	11,623.90	8,597.75	-26.03%

n) Registrar and Transfer Agent: Skyline Financial Services Pvt. Ltd. is acting as Registrar & Transfer Agent ("RTA") for handling the shares related matters, both in physical as well as dematerialized mode. All works relating to equity shares are being done by them. The Shareholders are, therefore, advised to send all their correspondence directly to the RTA. However, for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

o) Share Transfer System: SEBI has mandated that, effective April 01, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In case of shares held in electronic form, the transfers are processed by National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL') through respective Depository Participants.

The authority for transmission, transposition and dematerialisation of the Company's shares has been delegated to the Company Secretary and the RTA. The delegated authority generally attends the formalities on weekly basis and as and when required to expedite all such matters and redressal of Investors' grievance, etc., if any. The requests received by the Company/ RTA for registration of transmission, transposition and dematerialization are processed by RTA (generally within a week of receipt) and transferred expeditiously and wherever applicable, the share certificate(s) are returned to the shareholder(s) by registered post. As per the requirement of Regulation 40(9) of SEBI LODR Regulations, the half yearly certificates from a Company Secretary in Practice have been obtained for due compliance of share transfer formalities.

p) Nomination Facility: Pursuant to Section 72 of the Act, members are entitled to make a nomination in respect of shares held by them. The members holding shares in physical form and desirous of making a nomination are requested to send their requests in Form No. SH-13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, available on the Company's website at https://www.panaceabiotec.com/nomination-faqs or may write to the RTA of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

q) Share Certificates in respect of sub-divided Shares: After the sub-division of the Company's Equity Shares of Rs.10 each into Equity Shares of Re.1 each, in the year 2003, the Company had sent several letters to all the shareholders holding shares of the face value of Rs.10 in physical form, requesting them to exchange their share certificate(s) into new share certificate(s) in respect of shares of face value of Re.1 each.

Members may kindly note that consequent to the sub-division of shares of the Company from Rs.10 to Re.1, the share certificates of the face value of Rs.10 have ceased to be valid for any purpose whatsoever.

Hence, all the shareholders who have not yet sent their request for exchange of share certificates are requested to immediately forward their old share certificate(s) in respect of shares of face value of Rs.10 each (which are no longer tradable) to the Company, along with a request letter duly signed by all the joint holders.

r) Elimination of Duplicate Mailing: The shareholders who are holding shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

s) Reconciliation of Share Capital Audit: The Company get reconciliation of share capital audit done from Practicing Company Secretary in each quarter to reconcile the total admitted capital with National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and total issued and listed capital. The audit reports confirm that the total issued/ paid up capital is in agreement with the total number of equity shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Audit Report for each quarter of the Financial Year 2019-20, has been filed with Stock Exchanges within one month of the end of the respective quarter or such extended time as prescribed by the SEBI.

t) Distribution of Shareholding as on March 31, 2020:

i) Equity Shares:

Category (Amount) From – To	Shareholders		Equity Shares held	
	Number	% of total no. of Shareholders	Number	% of Shareholding
Upto 5,000	10,513	98.79	28,66,441	4.68
5,001-10,000	47	0.44	3,31,168	0.54
10,001-20,000	26	0.24	3,67,750	0.60
20,001-30,000	9	0.08	2,29,392	0.37
30,001-40,000	10	0.09	3,40,449	0.56
40,001-50,000	3	0.03	1,40,964	0.23
50,001-1,00,000	6	0.06	4,48,518	0.73
1,00,001 and above	28	0.26	5,65,26,064	92.29
Total	10,642	100.00	6,12,50,746	100.00

ii) Preference Shares:

Category (Amount) From – To	Shareholders		Preference Shares held *	
	Number	% of total no. of Shareholders	Number	% of Shareholding
1,00,001 and above	3	100.00	1,63,00,000	100.00
Total	3	100.00	1,63,00,000	100.00

* Pursuant to the Scheme of Arrangement for demerger of real estate business of Panacea Biotec Limited with and into Ravinder Heights Limited ("RVHL") and their respective shareholders and creditors as approved by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated September 09, 2020, effective from the Effective Date of the Scheme, viz. September 10, 2020, the preference share capital of the Company stands reduced to Rs.16,13,70,000/- divided into 161.37 million Preference Shares of Rs.10/- each fully paid-up, and preference share capital to the extent of Rs.1.63 million divided into 1,63,000 Preference Shares of Rs.10/- each fully paid-up stands cancelled, extinguished and annulled, without any further act, instrument or deed, which is equivalent to the value of Preference Shares issued by RVHL.

Report on Corporate Governance

u) Pattern of Shareholding as on March 31, 2020:

i) Equity Shares:

S. No.	Category	No. of Shares	% of Shareholding
1.	Promoters and Promoter Group	4,50,74,866	73.59
2.	Institutional Investors (FIIs, Banks & Mutual Funds)	9,88,810	1.61
3.	NRIs / OCB / Foreign Corporate Bodies/ Foreign Portfolio Investors	88,089	0.14
4.	Domestic Companies	74,72,746	12.20
5.	Indian Public/ Trust/ PMS/ Others	76,26,235	12.46
	Total	6,12,50,746	100.00

ii) Preference Shares:

S. No.	Category	No. of Shares *	% of Shareholding
1	Promoters and Promoter Group	1,63,00,000	100.00
	Total	1,63,00,000	100.00

* Pursuant to the Scheme of Arrangement for demerger of real estate business of Panacea Biotec Limited with and into Ravinder Heights Limited ("RVHL") and their respective shareholders and creditors as approved by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated September 09, 2020, effective from the Effective Date of the Scheme, viz. September 10, 2020, the preference share capital of the Company stands reduced to Rs.161.37 million divided into 1,61,37,000 Preference Shares of Rs.10/- each fully paid-up, and preference share capital to the extent of Rs.1.63 million divided into 1,63,000 Preference Shares of Rs.10/- each fully paid-up stands cancelled, extinguished and annulled, without any further act, instrument or deed, which is equivalent to the value of Preference Shares issued by RVHL.

v) Share Dematerialization System: The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization of shares is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on a weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

w) Dematerialization of Shares and its liquidity: The Company has been among the few top most companies in India in which maximum number of shares have been dematerialized. As on March 31, 2020, 99.64% of the Company's total Equity Share Capital representing 6,10,28,495 Equity Shares were held in dematerialized form and only 2,22,251 Equity Shares were in physical form.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

The Shares of the Company are regularly traded at the NSE and the BSE.

x) Disclosure of commodity price risks and commodity hedging activities: The Company's finished goods i.e. vaccines & pharmaceutical formulations are normally not prone to commodity price risk. They are, in fact, subject to risk of the Government's intervention in domestic market and competitive scenario in international market. However, the Company's raw materials are subject to commodity price risks. The Company does not have any hedging activities for the same. The Company is a net foreign exchange earner and like other players in pharmaceutical sector, it faces foreign currency fluctuation risk. Looking at the future long term trend, the Company keeps its position generally open.

y) Plant Locations:

- Vaccines Formulations facility at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India
- Drug Substance for Vaccines facilities at Samalheri, Ambala-Chandigarh Highway, Lalru-140501, Dist. Mohali (S.A.S. Nagar), Punjab, India.
- Pharmaceuticals Formulations and Oncology facilities at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India until 31.01.2020.

z) Address for correspondence:

For transfer/dematerialization of shares, payment of dividend and any other query relating to shares	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Indl. Area, Phase-I, New Delhi - 110020, India Phone : +91-11-40450193-97 Fax : +91-11-26812682 E-mail : admin@skylinerta.com,virenr@skylinerta.com
For investors assistance	The Company Secretary, Panacea Biotec Limited B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044, India Phone : +91-11-41679000 Extn. 2081, 41578024(D) Fax : +91-11-41679070 E-mail : companysec@panaceabiotec.com,investorgrievances@panaceabiotec.com Contact Person: Ms. Shikha Rastogi, Manager - Secretarial & Compliance

For query relating to financial matters	Mr. Devender Gupta - Chief Financial Officer & Head Information Technology, Panacea Biotec Limited B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044, India. Phone : +91-11-41679000 Extn. 1225, 41578011(D) Fax : +91-11-41679066, 41679070 E-mail : devendergupta@panaceabiotec.com

aa) Credit Rating: During the year under review, your Company has repaid all the long term loans and working capital loans availed from the banks. Pursuant to such repayment, Credit Analysis & Research Ltd. (CARE) has withdrawn the earlier assigned credit rating of the bank facilities. The Company has not availed any new bank facilities and has consequently not accepted any new credit rating.

10. Other Disclosures:

a) Related Party Transactions: The Company's major related party transactions are generally with its subsidiaries. All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI LODR Regulations during the financial year 2019-20 were in the ordinary course of business and on an arm's length basis.

The required statements / disclosures with respect to the related party transactions, if any, as prescribed in SEBI LODR Regulations, are placed before the Audit Committee on regular basis with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, external expert opinions are sought for Board consideration.

Further, during the year, there were no materially significant related party transactions with the Company's subsidiaries, promoters, directors or management, their relatives, etc., that may have potential conflict with the interests of the Company at large. The other related party transactions are given in Note No. 43 of the Notes to the Financial Statements for the year ended March 31, 2020 forming part of the Annual Report.

In accordance with Regulation 23 of SEBI LODR Regulations, a policy relating to dealing with Related Party Transactions has been formulated by the Company and available on the website of the Company & can be accessed through the link: https://www.panaceabiotec.com/statutory-policies. The Register of Contracts/ Statements of related party transactions are placed before the Board/ Audit Committee regularly.

b) Compliances by the Company: During the financial year 2018-19, BSE Limited imposed a fine amounting to Rs.5,900/- for delay in filing of financial results for financial year ending March 31, 2018 which was subsequently waived off by BSE Limited vide its letter dated January 28, 2019. No other strictures or penalties have been imposed on the Company by either SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three years.

c) Vigil Mechanism: The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting instances of illegal or unethical behavior. The Company has a Vigil Mechanism and has implemented a Vigil Mechanism/ Whistle Blower Policy in the Company in pursuance of Regulation 22 of SEBI LODR Regulations and no personnel has been denied access to the Audit Committee of the Company. A copy of Vigil Mechanism/ Whistle Blower Policy is available on the website of the Company & can be accessed through the link: https://www.panaceabiotec.com/statutory-policies.

d) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): During the financial year 2019-20, the Company has, on April 08, 2019, issued and allotted 71,11,111 convertible warrants ("Warrants") at a price of Rs.180 each in accordance to the provisions of SEBI (Issue of Capital and Disclosure Requirements), Regulations 2018 ("SEBI ICDR Regulations") and as amended thereto. The Company had fully utilized the funds received from the Warrant Holders of ~Rs.320 million (upfront amount equivalent to 25% of total consideration) as per the objects stated in the Explanatory Statement to the Notice dated February 26, 2019, sent to the shareholders of the Company. There were no unutilized funds under the same as on March 31, 2020.

However, since the Warrant Holders did not exercise the conversion option within the exercise period, during the current year, the Warrants stand cancelled / lapsed and the upfront amount of ~Rs.320 million as received by the Company from the Warrant Holders, towards allotment of the said Warrants stand forfeited in accordance with the terms of the said Warrants and as per the provisions of Regulation 169(3) of Chapter V of SEBI ICDR Regulations.

e) Certification from Company Secretary in Practice: A certificate has been received from M/s. R&D Company Secretaries, Practising Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed as **Anneure-II** and forms part of this Report.

f) Subsidiary Companies: All subsidiary companies are Board managed with their Board of Directors having the rights and obligations to manage such companies in the

Report on Corporate Governance

best interest of their stakeholders. In terms of Regulation 16(1)(c) of SEBI LODR Regulations, the Board of Directors has adopted a policy with regard to determination of material subsidiaries. The policy is available on the website of the Company and can be accessed through the link: https://www.panaceabiotec.com/statutory-policies.

As on March 31, 2020, Radhika Heights Limited and Panacea Biotec Pharma Limited were the material non-listed Indian subsidiaries of the Company as their individual net worth (i.e. paid-up capital and free reserves) exceeded 10% of the consolidated net worth of the Company. The Company's independent directors viz. Mr. R. L. Narasimhan and Mr. N. N. Khamitkar acted as non-executive directors on the Board of Radhika Heights Limited during the financial year 2019-20. The Company's independent director viz. Mr. K. M. Lal was appointed as independent director on the Board of Panacea Biotec Pharma Limited (material subsidiary w.e.f. February 01, 2020) w.e.f. March 14, 2020.

The Audit Committee of the Company reviewed the financial statements, in particular the investments made by all its Indian subsidiary companies.

The minutes of Board meetings of Indian subsidiary companies are placed at the Board Meeting of the Company and the significant transactions or arrangements entered into by the unlisted subsidiary companies are periodically informed to the Board.

g) Disclosure of Accounting Treatment: The Company has prepared the financial statements for the year in compliance with the Indian Accounting Standards ('Ind-AS') notified by the Ministry of Corporate Affairs. The Significant Accounting Policies applied in preparation of the financial statements as per Ind-AS have been set out in the Notes to financial statements.

h) Risk Management: The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Company has formulated a Risk Management Policy. The Board of Directors/ management periodically reviews the risk management framework of the Company and comes out with strategic risk mitigation measures.

i) Fees paid to the Statutory Auditors: Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company, i.e. M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Regn. No. 001076N/N500013) and other firms in the network entity of which the statutory auditors are a part, during the financial year 2019-20 was Rs.9.21 million.

j) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. No complaint has been filed during the financial year 2019-20. The details of the same have also been disclosed in the Directors' Report forming part of the Annual Report.

k) Debenture Trustee:

Vistra ITCL (India) Limited

The IL&FS Financial Centre, Plot C- 22, G Block, 7th Floor

Bandra Kurla Complex, Bandra (East), Mumbai 400051

Phone : +91 22 2659 3535

Fax: +91 22 2653 3297 Website: www.vistraitcl.com

11. Compliance with mandatory requirements and adoption of non-mandatory requirements

a) Mandatory requirements: The Company has complied with all mandatory requirements of the SEBI LODR Regulations with regard to corporate governance. M/s. R & D Company Secretaries, have certified that the Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D & E of Schedule V of the SEBI LODR Regulations for the financial year ended March 31, 2020.

b) Non-mandatory requirements: The status on the compliance with the non-mandatory recommendations/discretionary requirements as specified in Part E of Schedule II to the SEBI LODR Regulations is as under:

   i) Shareholders' rights: The quarterly/ half-yearly/ annual financial results, after they are approved by the Board of Directors, are uploaded electronically on the website of NSE & BSE via NEAPS and BSE Listing Centre respectively, published in the newspapers as mentioned under the heading "Means of Communication" at Sl. No. 8 above and also displayed on the Company's website viz. https://www.panaceabiotec.com. The results are not separately circulated to the shareholders.

   ii) Modified opinion(s) in audit report: The Company is in the regime of unmodified audit opinion on financial statements.

   iii) Reporting of Internal Auditors: The Internal Auditors of the Company report directly to the Audit Committee.

   iv) Prohibition of Insider Trading: The Company has instituted a comprehensive Code of Conduct to regulate, monitor and report trading by designated persons and relevant business associates in the securities of the Company, in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 which is available on the website of the Company viz. https://www.

panaceabiotec.com. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with the Shares of the Company.

12. **Disclosure of the compliance with corporate governance requirements** as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI LODR Regulations:

Sl. No.	Regulation No.	Particulars	Compliance Status (Yes or No)
1.	17	Board of Directors	Yes
2.	18	Audit Committee	Yes
3.	19	Nomination and Remuneration Committee	Yes
4.	20	Stakeholders Relationship Committee	Yes
5.	21	Risk Management Committee	N.A.
6.	22	Vigil Mechanism	Yes
7.	23	Related Party Transactions	Yes
8.	24	Corporate Governance requirements with respect to subsidiaries	Yes
9.	25	Obligations with respect to Independent Directors	Yes
10.	26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
11.	27	Other Corporate Governance requirements	Yes
12.	46(2)(b) to (i)	Website	Yes

13. **CEO/CFO Certification**

The Managing Director and Chief Financial Officer have certified, in terms of Part B of Schedule II of the SEBI LODR Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certification of the Financial Statements and the Cash Flow Statement for the financial year 2019-20 is annexed as **Annexure - III** and forms part of this Report.

For Panacea Biotec Limited

Place: New Delhi
Dated: November 11, 2020

Soshil Kumar Jain
Chairman

Annexure to the Report on Corporate Governance

Annexure - I

DECLARATION ON CODE OF CONDUCT

To
The Members of Panacea Biotec Ltd.

I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed the compliance with the provisions of the Code of Conduct for the financial year ended March 31, 2020.

For Panacea Biotec Limited

Place: New Delhi
Dated: November 11, 2020

Dr. Rajesh Jain
Managing Director

Annexure - II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para-C Sub clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Panacea Biotec Limited
Ambala-Chandigarh Highway, Lalru-140501, Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Panacea Biotec Limited having CIN L33117PB1984PLC022350 and having registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Soshil Kumar Jain	00012812	02.02.1984
2.	Dr. Rajesh Jain	00013053	25.11.2006
3.	Mr. Sandeep Jain	00012973	15.11.1984
4.	Mrs. Sunanda Jain*	03592692	12.03.2018
5.	Mr. Sumit Jain*	00014236	22.07.2015
6.	Mr. Ankesh Jain	03556647	01.04.2016
7.	Mr. Ashwini Luthra	05103137	18.10.2018
8.	Mr. Bhupinder Singh	00062754	08.04.2019
9.	Mr. Krishna Murari Lal	00016166	28.04.2006
10.	Mrs. Manjula Upadhyay	07137968	30.03.2015
11.	Mr. Mukul Gupta	00254597	01.04.2016
12.	Mr. Namdeo Narayan Khamitkar	00017154	31.01.2006
13.	Mr. Raghava Lakshmi Narasimhan	00073873	13.01.2001
14.	Mr. Shantanu Yeshwant Nalavadi	02104220	10.12.2019

* Ceased to be Whole-time Director w.e.f. close of business hours on 07.10.2020.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
FCS No.: 7775
C.P No.:8612
UDIN: F007775B001296887

Date: November 11, 2020
Place: Delhi

Annexure - III

CERTIFICATE FROM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

[Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Board of Directors,
Panacea Biotec Limited

We do hereby confirm and certify that:

a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 and that, to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) 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.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) there has not been any instance, during the year, of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Panacea Biotec Limited

Place : New Delhi
Dated : November 11, 2020

Devender Gupta
Chief Financial Officer &
Head Information Technology

Dr. Rajesh Jain
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Panacea Biotec Limited

We have examined the compliance of conditions of Corporate Governance by Panacea Biotec Limited, for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR Regulations during the year ended on 31st March, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R & D Company Secretaries

Debabrata Deb Nath
Partner
Membership No. FCS 7775
C.O.P. No. - 8612
UDIN: F007775B001289869

Place : New Delhi
Dated : November 11, 2020

Independent Auditors' Report

To the Members of Panacea Biotec Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Panacea Biotec Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. We draw attention to Note 54 and Note 58 to the accompanying standalone financial statements which indicates that the Company has incurred a net loss (before exceptional items) of Rs.635.28 million and has net cash outflow from operations of Rs.828.55 million during the year ended 31 March 2020. Further, the aforesaid notes also describe the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of the impact on the standalone financial statements of the Company as at the balance sheet date. These factors and conditions, along with other matters as explained in Note 54 and Note 58, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, based on the future projections which are dependent on certain assumptions and estimates, restructuring of the dues payable towards the non-convertible debentures of the subsidiary company, Panacea Biotec Pharma Limited, the management considers the use of going concern appropriate. Our opinion is not modified in respect of this matter.

   The above assessment of the Company's ability to continue as going concern is by its nature considered as a key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

   - Obtained an understanding of the management's process for identifying all the events or conditions that could impact the Company's ability to continue as a going concern and the process followed to assess the mitigating factors for such events or conditions. Also obtained an understanding around the methodology adopted by the Company to assess their future business performance and prepare a robust cash flow forecast;
   - Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors and controls around cash flow forecast prepared by the management;
   - Obtained the cash flow forecast for the next twelve months from the management basis their future business plan and considering the impact of COVID-19;
   - Reconciled the cash flow forecast to the future business plan of the Company as approved by the Board of Directors;
   - In order to corroborate management's future business plans and to identify potential contradictory information, we read the minutes of the meetings of Board of Directors and conducted discussions with the management and the Audit Committee;
   - Obtained and read the agreements entered into between the Company, subsidiary company and the holders of non-convertible debentures to understand the payment milestones and related communication made for its restructuring;
   - Tested the appropriateness of key assumptions adopted by the management in preparation of the cash flow forecasts such as growth rates, expenditure on new products, planned monetization of non-core assets and their fair values and tested the reasonableness of these assumptions used based on our knowledge and understanding of the business, actual historical results and external data, as the case may be;
   - Obtained the sensitivity analysis prepared by management and also performed independent sensitivity analysis to test the impact of variation on the cash flows due to change in key assumptions;
   - Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods; and
   - Evaluated the appropriateness and adequacy of the disclosures made by the Company with respect to the aforesaid events and conditions in accordance with Ind AS 1, Presentation of Financial Statements, in the standalone financial statements of the Company.

Independent Auditors' Report

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Discontinued operations Refer note 37(i) and 37(ii) to the accompanying standalone financial statements for the accounting policy and related disclosures respectively. During the previous year ended 31 March 2019, the management of the Company had identified two business segments as 'discontinued operations' and thereby classified the related assets and liabilities as held for sale. a) Divestment of pharmaceutical formulation segment ("Pharma segment"): As further explained in note 37(i), the management's plan of corporate restructuring to divest the Pharma segment to its wholly owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") was approved by the shareholders of the Company in an extra-ordinary general meeting held on 25 March 2019. Consequently, the Company executed a Business Transfer Agreement ('BTA') on 7 April 2019 to transfer by way of a slump sale, the entire identified assets and related liabilities pertaining to Pharma segment to PBPL at their respective book values. The management of the Company had considered transfer of "Pharma segment" as disposal group and therefore identified it as 'discontinued operation' in the standalone financial statements of the Company. As further explained in note 37(i), on satisfactory completion of mentioned terms and conditions, the BTA came into force with effect from 1 February 2020 resulting in execution of the transfer of all the assets and liabilities pertaining to the Pharma segment to PBPL at book values as on that date. As on 1 February 2020, the Company has transferred assets amounting to Rs.3,404.42 million and liabilities amounting to Rs.9,266.44 million to PBPL. The resultant difference has been transferred to "other equity". b) Demerger of real estate segment: As further explained in note 37(ii), the Company had decided to demerge its real estate undertaking, comprising certain immoveable properties of the Company and its investment in a wholly owned subsidiary which was intended to deal in real estate. The Board of Directors of the Company had approved the demerger proposal and the demerger scheme at their board meetings held on 26 February 2019 and 30 May 2019 respectively. Pursuant to the above restructuring by the Company, the management has assessed the real estate segment as disposal group and presented as "discontinued operations" in the standalone financial statements of the Company in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'.	Our audit procedures included, but were not limited to, the following in relation to the discontinued operations: a) Obtained an understanding of the management process for ensuring classification, measurement, disclosure and allocations for the identified disposal groups; b) Read the BTA including the amendment to BTA signed between the Company and PBPL for divestment of Pharma segment; c) Reviewed the assessment performed by the management for accounting and presentation of these transactions in accordance with applicable accounting standards; d) Ensured the assets and liabilities being transferred to PBPL are in accordance with the terms of BTA; e) Tested the arithmetical accuracy of computations used by management to determine the amounts being transferred; f) Assessed management's conclusions regarding the allocations of the asset, liabilities, income and expenses that are assigned to the discontinued operations for the respective segments; g) Assessed the appropriateness of the carrying values of assets and liabilities classified as held for sale in accordance with the requirements of Ind AS 105; h) With respect to matter (b) read the approvals received by the Company from shareholders and creditors during the year ended 31 March 2020 and understood the status of the demerger scheme with the legal team of the Company; i) Assessed reasonableness of management's judgement with respect to the likelihood and expected timing of the implementation of the restructuring; and j) Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements of the Company in accordance with the applicable accounting standards.

Independent Auditors' Report

Key audit matter	How the matter was addressed in the audit
Accordingly, net loss from the Pharma segment amounting to Rs.534.19 million for the ten month period ended 31 January 2020 and the real estate segment amounting to Rs.36.27 million for the year ended 31 March 2020 has been presented as profit/ (loss) from discontinued operations in the standalone Statement of Profit and Loss and the related assets /(liabilities) of the real estate business are classified as 'assets/ (liabilities) classified as held for sale' in the standalone Balance Sheet as at 31 March 2020. We identified this as a key audit matter for current year audit in view of the significance of the impact of these restructuring transactions have on the standalone financial statements including the amounts involved and exercise of management judgments with respect to identification and segregation of assets and liabilities and allocation of corporate costs pertaining to Pharma segment and real estate segment.	

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone 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 standalone 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 standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 standalone financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the standalone 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 with reference to the standalone financial statements 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 standalone 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; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
    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;
    c) the standalone financial statements dealt with by this report are in agreement with the books of account;
    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    e) the matter described in paragraph 4 under the Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Company;
    f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
    g) we have also audited the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 June 2020 as per Annexure B expressed unmodified opinion; and
    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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. the Company, as detailed in note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN No.: 20501531AAAACV6159

Place: New Delhi
Date: June 29, 2020

Annexure To the Auditors' Report

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;

b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification; and

c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

iv) In our opinion, the Company has complied with the provisions of Section 186 of the Act in respect of loans, investments and security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees.

v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income tax Act, 1961	Demand u/s 154/250/153A/ 143(3) of Income tax Act, 1961	14.5	Assessment Year 2011-12	April 21, 2016	Not yet paid	The Company intends to settle the demand with refund of other years.

b) The dues outstanding in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:
Statement of disputed dues:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under Protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Disallowance in respect of certain purchases and expense items	162.2	-	Assessment Year 2005-06	Income Tax Appellate Tribunal (ITAT)
Income tax Act, 1961	Disallowance in respect of certain purchases and expense items	3,300.7	-	Assessment Year 2006-07 to 2009-10	Income Tax Appellate Tribunal (ITAT)
Customs Act, 1962	Duty levied on exempted goods	4.0	4.0	Financial Year 2001-02	Custom Excise & Service Tax Appellate Tribunal

viii) There are no loans or borrowings payable to banks or financial institutions. The Company has not defaulted in dues payable to debenture-holders during the year. The Company has defaulted in repayment of loans/borrowings to the government including interest thereon:

Name of the Bank/ institution	Amount of default as on 31 March 2020 (in million)	Period of default
Biotechnology Industrial Research Assistance Council	7.00	Not yet paid

Refer note 47 to the standalone financial statements.

ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans raised through issue of non-convertible debentures were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc, as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN No.: 20501531AAAACV6159

Place : New Delhi
Date : 29 June, 2020

Annexure To the Auditors' Report

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Panacea Biotec Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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 ('the Guidance Note') 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN No.: 20501531AAAACV6159

Place : New Delhi
Date : June 29, 2020

Balance Sheet as at March 31, 2020

(Rs. in million)

	Note No.	**As at March 31, 2020**	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	4,462.59	4,948.72
b) Capital work-in-progress	2.2	36.60	29.52
c) Investment Property	2.1	519.87	-
d) Intangibles assets	2.3	10.29	15.66
e) Intangible assets under development	2.4	0.81	1.52
f) Financial assets			
(i) Investments	3	25.46	25.36
(ii) Loans	4	11.16	6.34
(iii) Other financial assets	5	5.61	8.86
f) Deferred tax assets (net)	6	14.45	192.04
g) Income tax assets	7	19.03	10.23
h) Other non-current assets	8	132.92	21.03
Total non-current assets		5,238.79	5,259.28
Current assets			
a) Inventories	9	992.26	425.05
b) Financial assets			
(i) Trade receivables	10	176.86	251.95
(ii) Cash and cash equivalents	11	149.15	49.58
(iii) Other bank balances	12	456.94	28.95
(iv) Loans	13	11.31	162.02
(v) Other financial assets	14	65.56	8.77
c) Other current assets	15	269.87	158.23
Total current assets		2,121.95	1,084.55
Assets classified as held for sale and discontinued operations	37	4,024.14	8,076.52
Total assets		11,384.88	14,420.35
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	61.25	61.25
b) Other equity	17	8,866.08	4,123.47
Total equity		8,927.33	4,184.72
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	18	604.33	883.04
(ii) Other financial liabilities	19	20.59	-
b) Provisions	20	125.63	134.92
c) Other non-current liabilities	21	0.85	6.81
Total non-current liabilities		751.40	1,024.77
Current liabilities			
a) Financial liabilities			
(i) Borrowings	22	35.68	693.85
(ii) Trade payables	23		
- Outstanding dues of micro, small and medium enterprises		28.55	16.17
- Outstanding dues of creditors other than above		1,330.41	762.64
(iii) Other financial liabilities	24	56.80	5,330.49
b) Other current liabilities	25	212.75	110.90
c) Provisions	26	26.48	21.87
d) Current tax liabilities (net)	27	4.55	74.75
Total current liabilities		1,695.22	7,010.67
Liabilities directly associated with discontinued operations	37	10.93	2,200.19
Total equity and liabilities		11,384.88	14,420.35
Summary of significant accounting policies	1		

The accompanying notes 1 to 59 are an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of Board of Directors of Panacea Biotec Limited

Anupam Kumar
Partner
Membership No. 501531

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 29, 2020

Statement of Profit and Loss for the year ended March 31, 2020

(Rs. in million)

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	28	1,580.85	962.10
Other income	29	308.75	35.25
Total income		1,889.60	997.35
Expenses			
Cost of materials consumed	30	752.67	591.33
Purchase of traded goods		114.38	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	(281.79)	171.24
Employee benefits expense	32	466.42	411.58
Finance costs	33	52.67	1,046.33
Depreciation and amortisation expense	34	269.05	330.30
Other expenses	35	1,151.48	1,254.58
Total expenses		2,524.88	3,805.36
Profit/(loss) before exceptional items and tax		(635.28)	(2,808.01)
Exceptional items	36	(153.97)	3,133.49
Profit/(loss) before tax		(789.25)	325.48
Tax expense			
Current tax		398.82	74.75
Deferred tax	38	(227.83)	31.33
Total tax expense		170.99	106.08
Profit/(loss) for the year from continuing operations		(960.24)	219.40
Profit/(loss) before tax from discontinued operations	37	(570.46)	46.30
Tax expense of discontinued operations		-	-
Profit/(loss) after tax from discontinued operations		(570.46)	46.30
Profit/(loss) for the year		(1,530.70)	265.70
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit plans		18.89	(10.01)
Income tax on above		(6.60)	3.50
Total other comprehensive income (net of tax)		12.29	(6.51)
Total comprehensive income for the year		(1,518.41)	259.19
Earnings per equity share for continuing operations (face value of Re. 1 each)	39		
- Basic and diluted earnings per equity share (in Rs.)		(15.68)	3.58
Earnings per equity share for discontinued operations (face value of Re. 1 each)			
- Basic and diluted earnings per equity share (in Rs.)		(9.31)	0.76
Earnings per equity share (for continuing and discontinued operations) (face value of Re. 1 each)			
- Basic and diluted earning per equity share (in Rs.)		(24.99)	4.34
Summary of significant accounting policies	1		

The accompanying notes 1 to 59 are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of Board of Directors of Panacea Biotec Limited

Anupam Kumar
Partner
Membership No. 501531

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 29, 2020

Cash Flow Statement for the year ended March 31, 2020
(Indirect Method)

(Rs. in million)

		Note No.	**For the year ended March 31, 2020**	For the year ended March 31, 2019
A.	Cash flow from operating activities			
	Profit/(loss) before tax from continuing operations		(789.25)	325.48
	Profit/(loss) before tax from discontinued operations		(570.46)	46.30
	Adjustment for :			
	Depreciation and amortisation expense		272.86	537.10
	Finance costs		1,472.46	1,046.33
	Allowance for expected credit loss and doubtful advances		263.86	44.35
	Interest income		(83.27)	(38.51)
	Bad debts and advances written off		-	103.31
	Property, plant and equipments written off		290.52	318.57
	Loss/(gain) on sale of property, plant and equipment (net)		-	5.19
	Excess debt/provisions written back		(326.23)	(2.92)
	Unrealized foreign exchange loss (net)		5.36	168.80
	Dividend income		(0.04)	(0.03)
	Intangibles assets under development provided /written off		-	233.86
	Provision for impairment of investment		-	38.56
	Excess managerial remuneration receivable written off (refer note 53)		153.97	-
	Adjustment on settlement of debts		-	(3,133.49)
	Operating profit before working capital changes		689.78	(307.10)
	Changes in working capital :			
	Inventories		(715.17)	730.90
	Trade receivables		(32.64)	429.70
	Other financial assets		(35.44)	24.23
	Loans		(14.84)	(33.51)
	Other current assets		(325.21)	(30.52)
	Trade payables		(518.32)	195.47
	Other financial liabilities		2.00	(2.51)
	Other current liabilities		188.42	(11.44)
	Provisions		11.86	72.15
	Cash flow (used in)/ generated from operating activities post working capital changes		(749.56)	1,067.37
	Income tax (paid)/refund (net)		(78.99)	4.18
	Net cash flow (used in)/ generated from operating activities (A)		(828.55)	1,071.55
B.	Cash flow from investing activities			
	Purchase of property, plant and equipment and intangible assets (including capital work in progress, intangibles under development, capital advances and creditors for capital goods)		(23.20)	(46.70)
	Proceeds from sale of property, plant and equipment		161.05	-
	Proceeds from slump sale of pharma business		0.10	-
	Interest received		47.65	6.42
	Dividend received		0.04	0.03
	Investment in shares of subsidiary		(0.20)	(1.00)
	Investments in bank deposits having original maturity of more than three months		(370.62)	(42.06)
	Net cash (used in)/generated from investing activities (B)		(185.18)	(83.31)
C.	Cash flow from financing activities			
	Proceeds from share warrants		320.00	-
	Proceeds from non-current borrowings		7,430.00	-
	Repayment of non-current borrowings		(5,608.57)	(155.39)
	Repayment of current borrowings		(658.17)	(192.13)
	Interest paid		(389.33)	(637.02)
	Net cash (used in)/generated from financing activities (C)		1,093.93	(984.54)
Increase /(Decrease) in net cash and cash equivalents (A+B+C)			80.20	3.70
Cash and cash equivalents at the beginning of the year			49.58	65.24
Changes in cash and cash equivalents pertaining to discontinued operations			19.37	(19.36)
Cash and cash equivalents at the end of the year (refer note 11)			149.15	49.58
Summary of significant accounting policies		1		

The accompanying notes 1 to 59 are an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of Board of Directors of Panacea Biotec Limited

Anupam Kumar
Partner
Membership No. 501531

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 29, 2020

Panacea Biotec
Innovation in support of life

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital

	(Rs. in million)
Opening Balance as at April 01, 2018	61.25
Changes during the year	-
Closing balance as at March 31, 2019	61.25
Change during the year	-
Closing balance as at March 31, 2020	61.25

B. Other equity
(Also refer note 17)

(Rs. in million)

	Equity component of compound financial instruments	Share Warrants	Reserves and surplus						Total
			Capital reserve	Retained earnings	General reserve	Securities premium	Capital redemption reserve	Foreign currency monetary item translation difference	
Balance as at April 1, 2018	96.39	-	-	1,483.51	364.99	897.05	1,022.34	(44.56)	3,819.72
Profit/(Loss) for the year	-	-	-	265.70	-	-	-	-	265.70
Other comprehensive income for the year (net of tax)	-	-	-	(6.51)	-	-	-	-	(6.51)
Total comprehensive income for the year	-	-	-	259.19	-	-	-	-	259.19
Movement during the year	-	-	-	-	-	-	-	44.56	44.56
Balance as at March 31, 2019	96.39	-	-	1,742.70	364.99	897.05	1,022.34	-	4,123.47
Balance as at April 1, 2019	96.39	-	-	1,742.70	364.99	897.05	1,022.34	-	4,123.47
Profit/(Loss) for the year	-	-	-	(1,530.70)	-	-	-	-	(1,530.70)
Other comprehensive income for the year (net of tax)	-	-	-	12.29	-	-	-	-	12.29
Total comprehensive income for the year	-	-	-	(1,518.41)	-	-	-	-	(1,518.41)
Issued during the year	-	320.00	-	-	-	-	-	-	320.00
Adjustment on account of slump sale (refer note 37 (i))	-	-	5,862.02	-	-	-	-	-	5,862.02
Adjustment on account of change in terms of preference shares	121.54	-	-	(42.54)	-	-	-	-	79.00
Balance as at March 31, 2020	217.93	320.00	5,862.02	181.75	364.99	897.05	1,022.34	-	8,866.08
Summary of significant accounting policies (Refer note 1)									

The accompanying notes 1 to 59 are an integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anupam Kumar
Partner
Membership No. 501531

Place : New Delhi
Date : June 29, 2020

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Summary of Significant Accounting Policies for the year ended March 31, 2020

1. Corporate information

Panacea Biotec Limited (Corporate identification number: L33117PB1984PLC022350) ("PBL" or "the Company") is a public company incorporated and domiciled in India. The Company's shares are listed with BSE Limited and National Stock Exchange of India Limited. The Company is one of India's leading research based biotechnology companies engaged in the business of research, development, manufacture and marketing of vaccines in India & international markets and export of branded pharmaceutical formulations in international markets. During the year, the Company was also engaged in research, development, manufacture and marketing of pharmaceutical formulations and the said business has been transferred to the Company's wholly-owned subsidiary, Panacea Biotec Pharma Ltd. effective from February 01, 2020.

The Company has its registered office and place of business at Ambala-Chandigarh Highway Lalru-140501, Punjab, India.

1.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended March 31, 2020 in accordance with Ind AS 110 which were also approved by the Board of Directors, along with these financial statements on June 29, 2020. Revision to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities, as per provisions of the Act.

The financial results have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

New and amended standards adopted by the Company:

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces the existing standard on leases i.e. Ind AS 17, Leases effective for accounting periods beginning on or after 1 April 2019.

The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained.

The Company has applied Ind AS 116 'Leases' for the first time for their annual reporting period commencing April 1, 2019. This standard does not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

1.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Significant accounting policies

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Summary of Significant Accounting Policies for the year ended March 31, 2020

b) Inventory

Inventories are valued as follows :

Raw material, components, stores and spares : Raw materials (including packing materials), components, stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods : Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Traded goods : Traded goods are valued at lower of cost or net realisable value. Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c) Property, plant and equipment

Recognition and initial measurement

All items of property, plant and equipment are initially measured at cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised 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 costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under non-current assets.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Act. The following useful life of assets has been determined by the Company:

Particulars	Useful life
Building – factory	30 years
Building – Non-factory	60 years
Plant and Equipment	15 years and 20 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer equipment	3 years and 6 years

i) Freehold land has an unlimited useful life and therefore is not depreciated.

ii) Leasehold improvements are amortised over the initial period of lease or useful life, whichever is shorter.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Recognition and initial measurement

Research and development costs

Expenditure on the research phase of projects is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Company can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it

- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs

Other intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets under development are not amortized as these assets are not yet available for use. These assets are evaluated for potential impairment on an annual basis or when there are indications that the carrying value is not recoverable.

Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Patents, trademarks and designs	7 years
Product development	5 Years
Technical know-how	5 years
Software	5 years
Websites	2 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Assets classified as held-for-sale

Assets are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised. Assets classified as held-for-sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the balance sheet.

f) 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 estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

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'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or 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. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised 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. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised 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 amortisation, if no impairment loss had been recognised.

g) Borrowing 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest, ancillary costs and other costs in connection with the borrowing and also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Summary of Significant Accounting Policies for the year ended March 31, 2020

h) Foreign and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional and presentation currency.

Foreign Currencies

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

All other exchange differences are charged to the statement of profit and loss.

i) Leases

Applicable upto March 31, 2019

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Applicable with effect from April 1, 2019

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments, including in-substance fixed payments;

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable under a residual value guarantee; and

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

k) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as GST, sales tax, value added tax, etc. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

Sale of goods : Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Dividend income : Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income : Interest income is recorded on accrual basis using the effective interest rate ("EIR") method.

Royalty income : Royalty is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the terms of the relevant agreement.

Summary of Significant Accounting Policies for the year ended March 31, 2020

Research and license fees income : Research and license fees income is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the term of the relevant agreement.

Export incentives : Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

l) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Investments in equity instruments of subsidiaries and joint ventures - Investments in equity instruments of subsidiaries and joint ventures are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iii. Financial assets at fair value
   - Investments in equity instruments other than above – Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 58 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

m) Investment in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures 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 these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

n) Post-employment and other employee benefits

Provident fund : Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity : A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan (administered through the Life Insurance Corporation of India), which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences : Compensated absences, which are expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits : Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the applicable tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and presented as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

q) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all the conditions.

Government grants related to the income are deferred and recognised in statement of profit and loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property plant and equipment are included in the non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected life of the related assets and presented within other income.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the Board of Directors (Managing Director and Chief Financial Officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Summary of Significant Accounting Policies for the year ended March 31, 2020

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. In accordance with Ind AS 108, Operating Segments, the management has disclosed the segment information in the audited consolidated financial statements of the Group.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

t) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Any amount that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset up to the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized in the financial statements.

1.4 Significant management judgments in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgments

Research and developments costs - Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Provisions, contingent liabilities and contingent assets – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. In view of the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the Defined Benefit Obligations (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements -

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

1.5 Recent accounting pronouncements (Standard issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the financial statements for the year ended March 31, 2020

2.1 Property, plant and equipment

(Rs. in million)

Description	Freehold land	Right of use asset - land	Building	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
Gross carrying value									
As at April 1, 2018	2,370.74	291.85	4,151.72	6,894.64	344.17	108.6	222.85	196.96	14,581.53
Additions	-	-	-	0.61	0.09	-	0.63	1.12	2.45
Disposals/adjustments	-	-	-	1,276.57	63.4	6.21	56.4	44.42	1,447.00
Disclosed as part of discontinued operations (refer note 37)	428.41	141.81	2,053.21	2,388.97	152.71	27.53	84.45	53.43	5,330.52
As at March 31, 2019	1,942.33	150.04	2,098.51	3,229.71	128.15	74.86	82.63	100.23	7,806.46
As at April 1, 2019	2,370.74	291.85	4,151.72	5,618.68	280.86	102.39	167.08	153.66	13,136.98
Additions	-			6.62		0.99	0.47	0.27	8.35
Disposals/adjustments	430.24	(58.31)	1,163.52	2,344.39	123.10	9.55	64.60	51.58	4,128.67
Transferred to investment property	151.00	-	402.72	-	-	-	-	-	553.72
Disclosed as part of discontinued operations (refer note 37)	127.50	200.12	391.93	4.45	16.33	13.17	19.10	0.64	773.24
As at March 31, 2020	1,662.00	150.04	2,193.55	3,276.46	141.43	80.66	83.85	101.71	7,689.70
Accumulated depreciation									
As at April 1, 2018	-	25.31	850.69	4,043.37	306.38	96.48	210.37	183.33	5,715.93
Charge for the year	-	4.04	101.89	400.72	8.45	2.90	0.87	3.07	521.94
Disposals/adjustments	-	-	-	958.76	59.84	5.84	53.55	42.17	1,120.16
Disclosed as part of discontinued operations (refer note 37)	-	13.38	435.99	1,515.51	139.47	26.08	79.41	50.13	2,259.97
As at March 31, 2019	-	15.97	516.59	1,969.82	115.52	67.46	78.28	94.10	2,857.74
As at April 1, 2019	-	29.35	952.58	3,485.33	254.99	93.54	157.69	144.23	5,117.71
Charge for the year	-	2.44	56.20	195.32	3.86	1.30	0.44	0.83	260.39
Disposals/adjustments	-	(3.71)	259.90	1,502.43	111.67	9.07	60.32	48.24	1,987.92
Transferred to investment property	-	-	27.08	-	-	-	-	-	27.08
Disclosed as part of discontinued operations (refer note 37)	-	17.09	69.68	3.07	15.15	12.48	17.94	0.58	135.99
As at March 31, 2020	-	18.41	652.12	2,175.15	132.03	73.29	79.87	96.24	3,227.11
Net block as at March 31, 2020	1,662.00	131.63	1,541.43	1,101.31	9.40	7.37	3.98	5.47	4,462.59
Net block as at March 31, 2019	1,942.33	134.07	1,581.92	1,259.89	12.63	7.40	4.35	6.13	4,948.72

* includes depreciation related to discontinued operations Rs. 3.81 million (refer note 37)

Notes : a) Refer note 44 for information on assets pledged and mortgaged as security.
b) Refer note 40(B) for information on contractual commitments related to property, plant and equipment.

2.2 Capital work-in-progress

(Rs. in million)

Description	Amount
As at April 1, 2018	47.57
Add: addition during the year	9.66
Less: capitalisation during the year	(2.45)
Disclosed as part of discontinued operations (refer note 37)	(25.26)
As at March 31, 2019	29.52
As at April 1, 2019	29.52
Add: addition during the year	10.88
Less: Disposal/adjustment, excluding pertaining to discontinued operations	(3.74)
Less: Capitalisation during the year	-
Disclosed as part of discontinued operations (refer note 37)	(0.06)
As at March 31, 2020	36.60

Notes :
i) The capital work-in-progress relates to construction and installation of property, plant and equipment.
ii) Refer note 44 for information on assets pledged and mortgaged as security.

Notes to the financial statements for the year ended March 31, 2020

2.3 Investment property

(Rs. in million)

Description	Freehold land	Building	Total
Gross carrying value			
As at April 1, 2018	-	-	-
As at March 31, 2019	-	-	-
Transferred from property, plant and equipment	151.00	402.72	553.72
As at March 31, 2020	151.00	402.72	553.72
Accumulated depreciation			
As at April 1, 2018	-	-	-
As at March 31, 2019	-	-	-
Transferred from property, plant and equipment	-	27.08	27.08
Charge for the year	-	6.77	6.77
As at March 31, 2020	-	33.85	33.85
Net block as at March 31, 2020	151.00	368.87	519.87
Net block as at March 31, 2019	-	-	-

Amount recognised in statement of profit and loss for investment property

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Rental income from investment property	7.30	-
Direct operating expenses	-	-
Profit from investment property before depreciation	7.30	-
Depreciation for the year	(6.77)	-
Profit from investment property	0.53	-

Fair value

Particulars	**As at March 31, 2020**	As at March 31, 2019
Investment property	519.87	-

Estimation of fair value

Fair value of investment property is based on market approach. The fair value has been determined based on valuation reports of independent experts.

2.4 Intangible assets

(Rs. in million)

Description	Patent, trademark and copyrights	Softwares	Websites	Product development	Total
Gross carrying value					
As at April 1, 2018	74.31	237.52	9.20	522.89	843.92
Additions	-	-	-	-	-
Disposals/adjustment	6.60	11.25	-	12.21	30.06
Disclosed as part of discontinued operations (refer note 37)	18.55	21.24	-	441.00	480.79
As at March 31, 2019	49.16	205.03	9.20	69.68	333.07
As at April 1, 2019	67.71	226.27	9.20	510.68	813.86
Additions	-	-	-	-	-
Disposals/adjustment	0.23	2.89	-	-	3.12
Disclosed as part of discontinued operations (refer note 37)	-	-	-	-	-
As at March 31, 2020	67.48	223.38	9.20	510.68	810.74
Accumulated amortisation					
As at April 1, 2018	70.09	225.73	9.20	495.22	800.24
Charge for the year	1.01	7.09	-	7.07	15.17
Disposals/adjustment	3.78	9.51	-	5.49	18.78
Disclosed as part of discontinued operations (refer note 37)	18.16	20.08	-	440.98	479.22
As at March 31, 2019	49.16	203.23	9.20	55.82	317.41
As at April 1, 2019	67.32	223.31	9.20	496.80	796.63
Charge for the year	0.08	0.99	-	4.63	5.70
Disposals/adjustment	0.15	1.73	-	-	1.88
Disclosed as part of discontinued operations (refer note 37)	-	-	-	-	-
As at March 31, 2020	67.25	222.57	9.20	501.43	800.45
Net block as at March 31, 2020	0.23	0.81	-	9.25	10.29
Net block as at March 31, 2019	-	1.80	-	13.86	15.66

Note : Refer note 44 for information on assets pledged and mortgaged as security.

2.5 Intangible assets under development

(Rs. in million)

Description	Amount
As at April 1, 2018	324.04
Add: addition during the year	39.23
Less: Disposal/adjustment	(222.13)
Disclosed as part of discontinued operations (refer note 37)	(139.62)
As at March 31, 2019	1.52
As at April 1, 2019	1.52
Add: addition during the year	3.84
Less: Disposal/adjustment, excluding pertaining to discontinued operations	(4.55)
As at March 31, 2020	0.81

Notes :

i) The intangible assets under development relates to product registration, patent, technical know-how and software.

ii) Refer note 44 for information on assets pledged and mortgaged as security.

Notes to the financial statements for the year ended March 31, 2020

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
3.	**Investments (non-current)**		
	Carried at cost:		
	Investments in equity instruments		
	A. Investment in equity instruments of subsidiary companies (unquoted):		
	a) 4,776,319 (March 31, 2019: 4,776,319) equity shares of Re. 1 each, fully paid up in Radhika Heights Limited (refer note 37(ii))	3,385.65	3,385.65
	b) 1,000 (March 31, 2019: 1,000) equity shares of USD 0.01 each, fully paid up in Rees Investments Limited (refer note 55)	-	0.00
	c) 6,000 (March 31, 2019: 6,000) equity shares of CHF 100 each, fully paid up in Panacea Biotec (International) S.A. Switzerland (refer note 55)	34.36	34.36
	d) 419,767 (March 31, 2019: 419,767) equity shares of Rs. 10 each, fully paid in PanEra Biotec Private Limited	4.20	4.20
	e) 90,000 (March 31, 2019: 90,000) equity shares of Rs. 10 each, fully paid up in Adveta Power Private Limited	0.90	0.90
	f) 1,000,000 (March 31, 2019: 1,000,000) equity shares of Re. 1 each, fully paid up in Panacea Biotec Pharma Limited (refer note 37(i))	1.00	1.00
	g) 100,000 (March 31, 2019: Nil) equity shares of Re. 1 each, fully paid up in Ravinder Heights Limited (refer note 37(ii))	0.10	-
	h) 100,000 (March 31, 2019: Nil) equity shares of Re. 1 each, fully paid up in Meyten Realtech Pvt. Ltd.	0.10	-
		3,426.31	3,426.11
	Less: Provision for impairment	38.56	38.56
	Less: transferred to discontinued operations (refer note 37(ii))	3,385.75	3,385.65
		2.00	1.90
	B. Investment in equity instruments of Joint venture company (unquoted):		
	a) 2,295,910 (March 31, 2019: 2,295,910) equity shares of Rs. 10 each, fully paid up in Chiron Panacea Vaccines Private Limited (under liquidation)	22.96	22.96
		22.96	22.96
	Carried at fair value through profit and loss (Refer note 48):		
	A. Investment in equity instruments of other entities (unquoted):		
	a) 20,250 (March 31, 2019: 20,250) equity shares of Rs. 10 each fully paid up in Shivalik Solid Waste Management Limited	0.20	0.20
	b) 50,000 (March 31, 2019: 50,000) equity shares of Rs. 10 each fully paid up in Mohali Green Environment Private Limited	0.50	0.50
		0.70	0.70
	Less: transferred to discontinued operations (refer note 37)	0.20	0.20
		0.50	0.50
	Total investments	25.46	25.36
	Aggregate amount of unquoted investments	25.46	25.36
	Aggregate amount of impairment in value of investments	38.56	38.56
4.	**Loans (non-current)**		
	Unsecured, considered good		
	Security deposits	11.06	6.34
	Loans to related parties	0.10	-
	Unsecured, considered doubtful/ credit impaired		
	Loans to related parties	356.81	74.69
		367.97	81.03
	Less : allowance for doubtful loans	(356.81)	(74.69)
	Total	11.16	6.34
	Note: Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
5.	**Other financial assets (non-current)**		
	Bank deposits with maturity of more than 12 months	5.61	8.86
	Total	5.61	8.86
	Notes: i) Fixed deposits amounting to Rs. 5.61 million (March 31, 2019: Rs. 8.86 million) are pledged/deposited with banks and various government authorities for tender, bank guarantee, margin money etc. ii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		

Notes to the financial statements for the year ended March 31, 2020

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
6.	**Deferred tax assets (net)**		
	Deferred tax liabilities arising on account of		
	Property, plant and equipment and intangible assets	1,336.73	1,465.88
	Capital expenditure on research and development	0.10	8.44
		1,336.83	1,474.32
	Deferred tax assets arising on account of		
	Expenditure allowed on payment basis	59.39	407.06
	Unabsorbed business losses and depreciation	1,249.74	1,051.76
	Minimum alternative tax credit entitlement	14.45	192.04
	Others	27.70	15.50
		1,351.28	1,666.36
	Total	14.45	192.04
	Note: Refer note 38 for changes in deferred tax balances.		
7.	**Income tax assets (net)**		
	Advance taxes	1,720.94	1,712.14
	Less: provision for taxes	(1,701.91)	(1,701.91)
	Total	19.03	10.23
8.	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital advances (refer note 40)		
	- considered good	8.90	3.20
	- considered doubtful	176.80	-
	Balances with statutory authorities	124.02	17.83
		309.72	21.03
	Less: allowance for doubtful advances	(176.80)	-
	Total	132.92	21.03
	Note: Refer note 44 for information on assets pledged and mortgaged as security.		
9.	**Inventories**		
	(lower of cost or net realisable value)		
	Raw materials (including packing materials)	451.43	177.75
	Finished goods	313.52	117.63
	Traded goods	3.91	-
	Work-in-progress	157.16	75.17
	Stores and spares	66.24	54.50
	Total	992.26	425.05
	Note: Refer note 44 for information on assets pledged and mortgaged as security.		
10.	**Trade receivables**		
	Unsecured, considered good	179.07	308.36
	Unsecured, considered doubtful/ credit impaired	4.18	8.50
		183.25	316.86
	Less: allowance for doubtful debts/ expected credit loss	(6.39)	(64.91)
	Total	176.86	251.95
	Note: Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
11.	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	147.77	49.34
	- in exchange earners' foreign currency accounts	0.80	-
	Cash on hand	0.58	0.24
	Total	149.15	49.58
12.	**Other bank balances**		
	Deposits with original maturity for more than 3 months but less than 12 months (refer note below)	456.94	28.95
	Total	456.94	28.95
	Note: Fixed deposits amounting to Rs. 376.35 million (March 31, 2019: Rs. 28.95 million) are pledged/ provided with banks and various government authorities for tender, bank guarantee, margin money, etc.		

Notes to the financial statements for the year ended March 31, 2020

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
13. Loans (current)		
Unsecured, considered good		
Security deposits	3.03	2.21
Amounts receivable from employees and directors (refer note 53)	8.28	159.81
Unsecured, considered doubtful/ credit impaired		
Loans to related parties (refer note 43)	-	585.16
	11.31	747.18
Less : allowance for doubtful loans (refer note 43)	-	(585.16)
Total	11.31	162.02
Note: Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
14. Other financial assets (current)		
Unsecured, considered good		
Export benefits receivable	31.77	8.77
Others	33.79	-
Total	65.56	8.77
Notes:		
i) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
ii) Refer note 44 for information on assets pledged and mortgaged as security.		
15. Other current assets		
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	11.73	8.26
Balances with statutory authorities	116.52	74.52
Advance to suppliers		
- considered good	141.62	75.45
- considered doubtful	85.41	33.97
	355.28	192.20
Less: allowance for doubtful advances	(85.41)	(33.97)
Total	269.87	158.23
Note: Refer note 44 for information on assets pledged and mortgaged as security.		
16. Share capital		
a) Authorised		
i) 125,000,000 (March 31, 2019: 125,000,000) Equity Shares of Re.1 each	125.00	125.00
ii) 110,000,000 (March 31, 2019: 110,000,000) Preference Shares of Rs.10 each	1,100.00	1,100.00
	1,225.00	1,225.00
b) Issued, subscribed and fully paid up		
61,250,746 (March 31, 2019: 61,250,746) Equity Shares of Re.1 each	61.25	61.25
Total	61.25	61.25

c) Terms/right attached to equity shares:
The Company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has not proposed any dividend for current year and previous year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts including preference shares. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

d) Reconciliation of number of equity shares:

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Rs. in million	No of shares	Rs. in million
Equity shares at the beginning of the year	61,250,746	61.25	61,250,746	61.25
Changes during the year	-	-	-	-
Equity shares at the end of the year	61,250,746	61.25	61,250,746	61.25

e) Details of shareholders holding more than 5% of equity shares in the Company:

	As at March 31, 2020		As at March 31, 2019	
	No of shares	% holding	No of shares	% holding
Mr. Soshil Kumar Jain	5,000,000	8.16%	5,000,000	8.16%
Dr. Rajesh Jain	6,213,500	10.14%	6,213,500	10.14%
Mr. Sandeep Jain	4,792,100	7.82%	4,792,100	7.82%
Mrs. Sunanda Jain	6,647,300	10.85%	6,647,300	10.85%
Ravinder Jain (HUF)	4,135,000	6.75%	4,135,000	6.75%
Rajesh Jain (HUF)	3,750,799	6.12%	3,750,799	6.12%
Sandeep Jain (HUF)	4,105,000	6.70%	4,105,000	6.70%
Serum Institute of India Ltd.	5,805,279	9.48%	5,774,732	9.43%
Mr. Adar Cyrus Poonawala	3,157,034	5.15%	3,157,034	5.15%

The above information has been furnished as per the shareholders' detail available with the Company at the year end.

f) Terms attached to 0.5% cumulative non-convertible and non-participating redeemable preference shares:
The Company has only one class of preference shares having a par value of Rs.10 per share. The Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has not proposed any dividend for current year and previous year.

The preference shares were initially issued for a period of 10 years w.e.f. January 6, 2015, with an option with the Company as well as preference shareholders for early redemption of preference shares, provided CDR debts (Refer note 18(A)) were fully serviced and the Company comes out from the purview of CDR system. After payment of the CDR Debts, the terms of preference shares have been amended on April 08, 2019 so as to enhance the tenure from 10 years to 15 years with an option with the Company as well as preference shareholders for early redemption of preference shares, provided the secured debt obligations with respect to debentures issued by the Company are fully serviced by the Company as per the agreed terms with the new investor. In the event of liquidation of the Company, the holders of preference shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in preference to the equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders. Also refer note 18(C).

g) Reconciliation of 0.5% cumulative non-convertible and non-participating redeemable preference shares:

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Rs. in million	No of shares	Rs. in million
Preference shares at the beginning of the year	16,300,000	163.00	16,300,000	163.00
Changes during the year	-	-	-	-
Preference shares at the end of the year	16,300,000	163.00	16,300,000	163.00

h) No equity/preference shares have been bought back nor any bonus share or shares have been issued for consideration other than cash during the period of five years immediately preceding the reporting date except for issue of preference shares by conversion of loan in financial year 2014-15 amounting to Rs.163,000,000.

Further, as per the proposed Scheme of Arrangement with respect to demerger of Demerged Undertaking (refer note 37), 1,63,000 preference shares shall stand cancelled including all the accrued rights therein upon implementation of the said Scheme of Arrangement and completion of related compliances, the Resulting Company shall issue equivalent number of preference shares to the preference shareholders.

i) Details of preference shareholders holding more than 5% of 0.5% cumulative non-convertible and non-participating redeemable preference share capital:

Name of persons	As at March 31, 2020		As at March 31, 2019	
	No of shares	% holding	No of shares	% holding
Mr. Soshil Kumar Jain	6,570,000	40.31%	6,570,000	40.31%
Dr. Rajesh Jain	6,570,000	40.31%	6,570,000	40.31%
Mr. Sandeep Jain	3,160,000	19.38%	3,160,000	19.38%

The above information has been furnished as per the shareholders detail available with the Company at the year end.

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
17. Other equity*		
Equity component of compound financial instruments (refer note 16(f) to (i) and 18(C))	217.93	96.39
Share warrants (refer note 52)	320.00	-
Reserves and surplus:		
Capital reserve (refer note 37(i))	5,862.02	-
Retained earnings	181.75	1,742.70
General reserve	364.99	364.99
Security premium	897.05	897.05
Capital redemption reserve	1,022.34	1,022.34
Total	8,866.08	4,123.47
* For changes in balances of reserves, refer to the Statement of Changes in Equity.		

Notes to the financial statements for the year ended March 31, 2020

Nature and purpose of other reserves

General reserve: The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital redemption reserve: Created in accordance with provisions of the Act in connection with the buy back of equity shares from the market.

Capital reserve: Created pursuant to the transfer of pharmaceutical business to PBPL (refer note 37(i)).

Foreign currency monetary item translation difference: Contains exchange difference arising on long term foreign currency monetary items related to foreign currency term loan.

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
18. Borrowings (non-current)		
Term loans from banks (secured)		
Foreign currency term loans from banks (refer note (A) below)		
Bank of India	-	1,136.70
Rupee loans		
Term loan from banks (refer note (A) below)		
Indian Overseas Bank	-	660.57
State Bank of India [loan - I]	-	894.45
State Bank of India [loan - II]	-	450.13
Working capital term loan (refer note (A) below)		
Bank of India	-	33.70
Canara Bank	-	21.35
IDBI Bank	-	14.97
Indian Overseas Bank	-	29.96
State Bank of India	-	334.50
Union Bank of India	-	26.02
Funded interest term loan (refer note (A) below)		
Bank of India	-	82.70
Canara Bank	-	12.94
IDBI Bank	-	10.28
Indian Overseas Bank	-	162.67
State Bank of India	-	376.15
Union Bank of India	-	15.59
Rupee Term loans from others		
Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer note (B) (i) and (ii) below and note 47).	34.00	59.50
Department of Science & Technology ("DST") (unsecured) (refer note (B) (iii) below)	4.00	8.00
Edelweiss Assets Reconstruction Co. Ltd. ("EARC") [loan - I] (secured) (refer note (A), below)	-	883.57
EARC [loan - II] (secured) (refer note (A) below)	-	127.13
Technology Development Board ("TDB") (secured) (refer note (B) (iv) below)	57.98	57.98
Unsecured:		
Liability component of compound financial instruments 16,300,000 (March 31, 2019: 16,300,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs.10 each (refer note (C) below)	28.97	105.44
Loan from related parties (refer note (B) (v) below)	511.82	688.62
	636.77	6,192.92
Less: current maturities of non-current borrowings (disclosed under note 24)	(32.44)	(5,309.88)
Total	604.33	883.04

Notes:

Rate of interest - The Company's long term borrowings were at an effective weighted average rate of 18.29% (March 31, 2019: 11%) per annum.

(A) Loans under Corporate Debt Restructuring (CDR):

Loans under CDR were secured by moveable as well as immoveable assets of the Company, as detailed in note 44. Additionally loans were secured by personal guarantees of Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. All the long-term loans and sustainable working capital borrowings from the banks were classified as current due to failure of CDR and have been repaid on April 09, 2019 pursuant to the bilateral settlements agreed with them. The Company has obtained no dues certificates from all such lenders and satisfied the charges created against such loans.

(B) Repayment terms and security of other loans:

(i) Rupee term loan from BIRAC for H1N1 influenza vaccine project, with amount outstanding of Rs.28.00 million (March 31, 2019: Rs.49.00

million), is repayable in ten equal half-yearly installments commencing from March 31, 2017. This loan is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(ii) Rupee term loan from BIRAC for Streptococcus pneumococcal conjugate vaccine project, with amount outstanding of Rs.6.00 million (March 31, 2019: Rs.10.50 million) is repayable in ten equal half-yearly instalments commencing from May 29, 2017 and is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(iii) The unsecured rupee term loan from DST of Rs.4.00 million (March 31, 2019: Rs.8.00 million) is for specific project and is repayable in ten equal annual installments commencing from September 2012.

(iv) Rupee term loan from TDB of Rs.57.98 million (March 31, 2019: Rs.57.98 million) is for Dengue vaccine project and is repayable in nine equal half-yearly installments commencing from July 1, 2020. This loan is secured by way of first pari-passu charge (i) on the whole of the moveable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future except book debts; and (ii) mortgage of immovable properties of the Company being land admeasuring 1011.11 sq. yards, situated at Plot no. 37, Sector 21-A, Urban Estate, Faridabad, Haryana.

(v) Loan from related parties includes loans from bodies corporate and are payable after April 07, 2024. Interest rates range between 9% - 9.5%, also refer note 43.

(C) Liability component of compound financial instruments

Further to note 16(f), the Company had issued 16,300,000 0.5% cumulative non-convertible and non-participating redeemable Preference shares of Rs. 10 each to the three promoters viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. The preference shares are presented in the balance sheet as follows:

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
Value of preference shares issued	163.00	163.00
Equity component of preference shares (refer note (i) below)	(217.93)	(96.39)
	(54.93)	66.61
Interest expense (refer note (ii) below)	45.07	10.84
Opening interest accrued	38.83	27.99
Non-current borrowings	28.97	105.44

Notes:

i) The equity component is the difference between fair value of liability component computed at the effective interest rate of 18.5% p.a. (March 31, 2019: 11% p.a.) and the value of preference shares issued, which is presented as a separate component of equity in the Statement of Changes in Equity.

ii) Interest expense is calculated by applying the effective interest rate of 18.5% p.a. (March 31, 2019: 11% p.a.) to the liability component

(D) Refer note 47 for defaults of repayment of loans and interest thereon.

(E) Refer note 44 for information on assets pledged and mortgaged as security.

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
19. Other financial liabilities (Non-current)		
Interest accrued but not due on borrowings	20.59	-
	20.59	-
20. Non-current provisions		
Provision for gratuity	81.03	88.34
Provision for compensated absences	44.60	46.58
Total	125.63	134.92
Note: Refer note 46 for disclosure of employee benefits		
21. Other non-current liabilities		
Deferred government grant	0.85	6.81
Total	0.85	6.81

Notes to the financial statements for the year ended March 31, 2020

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
22. Borrowings (current)		
From banks (secured)		
Cash credits (refer note 18 (A)	-	654.79
Others (unsecured)		
Loan from related parties (refer note (ii) and (iv) below)	-	3.38
Loan from bodies corporate (refer note (iv) below)	35.68	35.68
Total	35.68	693.85

Notes:

i) Rate of interest - The Company's current borrowings are at an effective weighted average rate of 9% (March 31, 2019: 9% to 11%) per annum.

ii) Refer note 43 for related party disclosure.

iii) Refer note 44 for information on assets pledged and mortgaged as security.

iv) Refer note 47 for default in repayment and interest thereon.

v) Refer note 48 for disclosure of fair value in respect of financial liabilities measured at amortised cost and note 49 for maturities of financial liabilities.

	As at March 31, 2020	As at March 31, 2019
Cash credits from banks		
Bank of India	-	152.40
Canara Bank	-	99.30
IDBI Bank	-	14.62
Indian Overseas Bank	-	43.20
State Bank of India	-	224.78
Union Bank of India	-	120.49
Loan from related parties (refer note 43)		
Trinidhi Finance Private Limited	-	3.38
Loan from bodies corporate		
Ulterior Holdings Private Limited	35.68	35.68
Total	35.68	693.85
23. Trade payables		
Due to:		
- micro, small and medium enterprises (refer note 42)	28.55	16.17
- others	1,330.41	762.64
Total	1,358.96	778.81
24. Other financial liabilities (current)		
Current maturities of long-term borrowings	32.44	5,309.88
Interest accrued but not due on borrowings	7.94	7.33
Interest accrued and due on borrowings	15.49	12.84
Deposit from trading agents	0.93	0.12
Others	-	0.32
Total	56.80	5,330.49

Notes:

i) Refer note 48 for disclosure of fair value in respect of financial liabilities measured at amortised cost and note 49 for maturities of financial liabilities.

ii) Refer note 47 for default in repayment of borrowings and interest thereon.

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
25.	**Other current liabilities**		
	Advances from customers	112.76	101.73
	Deferred government grant	88.66	0.84
	Statutory liabilities	11.33	8.33
	Total	212.75	110.90
26.	**Provisions (current)**		
	Provision for compensated absences	26.48	21.87
	Total	26.48	21.87
27.	**Current tax liabilities (net)**		
	Provision for minimum alternate tax	4.55	74.75
		4.55	74.75

		For the year ended March 31, 2020	For the year ended March 31, 2019
28.	**Revenue from operations**		
	Sale of products (net)		
	Manufactured goods	1,374.89	957.28
	Traded goods	176.85	-
	Other operating revenue		
	Export benefits	27.27	4.54
	Scrap sale	1.84	0.28
	Total	1,580.85	962.10
A	Revenue from contracts with customers disaggregated based on nature of products or services (including discontinued operations)		
	Revenue from sale of products		
	Vaccine	1,374.89	1,010.53
	Pharma	3,453.29	3,386.80
	Other operating revenue		
	Export benefits	64.65	40.75
	Scrap sales	3.95	2.84
	Royalty income	-	0.71
	Total	4,896.78	4,441.63
B	Revenue from contracts with customers disaggregated based on geography (including discontinued operations)		
	Domestic	3,169.97	3,381.71
	Export	1,726.81	1,059.92
	Total	4,896.78	4,441.63
C	Reconciliation of gross revenue with the revenue from contracts with customers (including discontinued operations)		
	Gross revenue#	4,989.63	4,515.32
	Less: discounts	(92.85)	(73.69)
		4,896.78	4,441.63
	# Revenues are recorded at a point in time. The Company has no remaining performance obligations once the goods are delivered to the customer as per terms of the contract.		
D	Receivables, contract assets and contract liabilities from contracts with customers		
	Trade receivables*	183.25	316.86
	Contract balances		
	– Advances from customers$	112.76	101.73
		296.01	418.59
	* Trade receivables are non-interest bearing and are generally due within 30 to 180 days. There is no significant financing component in any transaction with the customers.		
	$ The adjustments of advances during the year are not considered to be significant. Also refer note 40(A)(d).		

Notes to the financial statements for the year ended March 31, 2020

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
29. Other income		
Income from investments		
Dividend income	0.00	-
Interest income from:		
Bank deposits	44.92	4.50
Loans given to subsidiaries	35.63	7.46
Others	1.04	1.69
Others		
Excess provisions/debt written back	205.44	-
Government grant income	8.34	10.34
Lease rent	10.85	5.97
Gain on sale of property, plant and equipment (net)	-	0.51
Miscellaneous	2.53	4.78
Total	308.75	35.25
30. Cost of materials consumed		
Raw materials and packing materials		
Opening stock	177.75	399.21
Add : Purchases during the year	1,026.35	369.87
	1,204.10	769.08
Less : Closing stock	451.43	177.75
Total	752.67	591.33
31. Changes in inventories of finished goods, stock in trade and work-in-progress		
Opening Stock		
Finished goods	117.63	210.50
Work-in-progress	75.17	153.54
Total	192.80	364.04
Closing stock		
Finished goods	317.43	117.63
Work-in-progress	157.16	75.17
Total	474.59	192.80
Changes in inventories ((Increase)/Decrease)		
Finished goods	(199.80)	92.87
Work-in-progress	(81.99)	78.37
Total	(281.79)	171.24
32. Employee benefits expense		
Salary and wages	440.80	391.07
Contribution to provident and other funds (refer note 46)	14.90	(1.35)
Staff welfare expenses	10.72	21.86
Total	466.42	411.58
33. Finance costs		
Interest expense	51.48	849.69
Other borrowing costs	1.19	196.64
Total	52.67	1,046.33
34. Depreciation and amortisation expense		
Depreciation on tangible property, plant and equipment	263.35	317.12
Amortisation of intangible assets	5.70	13.18
Total	269.05	330.30
35. Other expenses		
Analytical testing and trial	26.27	13.05
Advertising and sales promotion	38.78	10.31
Allowance for expected credit loss and doubtful advances	263.87	61.92
Contract manufacturing	-	7.00
Consumption of stores and spares	91.47	91.22
Commission on sales	7.05	8.26
Directors' sitting fees	1.37	1.50
Freight and forwarding	54.15	22.33
Insurance	16.52	16.21
Legal and professional	29.61	51.25

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss on sale of property, plant and equipment (net)	289.92	-
Intangibles assets under development provided /written off	-	147.78
Loss on foreign exchange transactions and translations (net)	8.70	151.79
Power and fuel	175.79	227.18
Printing and stationery	3.26	5.53
Postage and communication	4.47	5.95
Payment to auditors (refer note below)	3.88	2.93
Repair and maintenance :		
Buildings	2.44	4.23
Plant and machinery	10.27	25.19
Others	5.87	21.72
Rent	4.50	10.95
Rates and taxes	31.38	5.83
Staff training and recruitment	6.46	2.21
Travelling and conveyance	23.78	19.35
Vehicle running and maintenance	7.74	12.21
Subscription	8.93	3.54
Provision for impairment of Investment	-	4.20
Meetings and conferences	14.91	3.12
Property, plant and equipments written off	-	296.92
Security charges	12.80	14.43
Office expenses	0.15	0.23
Miscellaneous	7.14	6.24
Total	1,151.48	1,254.58
Note: Payment to auditors*		
As auditor		
- Audit fee	2.10	2.60
- Limited review fee	2.40	2.40
In other capacity		
- Certification and other matters	1.97	1.42
- Reimbursement of out of pocket expenses	0.45	0.33
Total	6.92	6.75
* including Continuing and Discontinued operations but excludes goods and service tax		
36. Exceptional items		
Excess managerial remuneration receivable written off (refer note 53)	(153.97)	-
Adjustment on settlement of debts	-	3,133.49
Total	(153.97)	3,133.49

37. Discontinued Operations

i) Slump sale of the pharmaceutical business: On February 26, 2019, as a part of the business reorganization, the Company's Board of Directors had approved transfer of its pharmaceutical formulations business to its wholly owned subsidiary, Panacea Biotec Pharma Limited ('PBPL'), together with all tangible assets (except R&D center and natural product extraction facility at Lalru) and all intangible assets as specified in the Business Transfer Agreement ("BTA") in relation to the pharmaceutical formulations business including pharmaceutical formulations facility at Baddi, Himachal Pradesh, (referred to as 'Pharma business'), as a going concern through slump sale, with an objective to segregate the different businesses of the Company to ensure smooth functioning of each business in the future. The divestment was approved by the shareholders of the Company in their extra-ordinary general meeting held on March 25, 2019. In order to implement the above transfer, the Company had executed a BTA with PBPL on April 07, 2019 as amended by BTA Amendment Agreement dated February 04, 2020. Accordingly, the activities of the Pharma business of the Company, that are considered as disposal group, are presented as a discontinued operation in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'. The assets / liabilities of the Pharma business amounting to Rs. Nil (March 2019: Rs.4,195.73 million) and Rs. Nil (March 2019: Rs.2,183.39 million) respectively are classified as 'Assets classified as held for sale and discontinued operations' and 'Liabilities directly associated with assets classified as held for sale and discontinued operations' respectively. PBPL has completed its compliance with the terms and conditions of BTA on February 01, 2020 and consequently, the BTA has become effective from that date. Accordingly, the Company has recorded a capital reserve amounting to Rs.5,862.02 million on transfer of the Pharma business to PBPL during the year.

ii) Demerger of real estate business: On February 26, 2019 and May 30, 2019, the Board of Directors of the Company had approved a plan and a scheme of arrangement respectively for demerger of its real estate business comprising wholly owned subsidiary Radhika Heights Limited ('RHL') along with its step down subsidiaries and two real estate properties from PBL ('Demerged Undertaking') to its wholly-owned subsidiary, Ravinder Heights Limited ('Resulting Company'). The said scheme of arrangement is currently pending before the Hon'ble National Company Law Tribunal, Chandigarh for its final approval. Upon implementation of the demerger scheme and completion of related compliances, the Resulting Company shall be listed at the BSE and NSE in compliance with the applicable SEBI Regulations. The Company has received approvals from its shareholders and unsecured creditors in their respective NCLT convened meetings held on January 28, 2020. In accordance with the

Notes to the financial statements for the year ended March 31, 2020

provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations', the assets / liabilities of the real estate business have been disclosed under "Assets classified as held for sale and discontinued operations" / "Liabilities directly associated with the assets classified as held for sale and discontinued operations" in the standalone financial statements.

iii) Financial performance and cash flows for the Pharmaceutical business and the Real estate business:

(Rs. in million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
a)	Analysis of profit / (loss) from discontinued operations		
	Profit / (loss) for the year from discontinued operations		
	Revenue from operations	3,315.93	3,479.53
	Other income	130.30	45.95
	Total Income	3,446.23	3,525.48
	Expenses		
	Cost of Materials consumed	904.02	814.16
	Purchases of stock-in-trade	97.09	91.93
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(79.22)	128.35
	Employee benefits expense	765.98	1,007.86
	Finance costs	1,419.79	-
	Depreciation and amortisation expense	3.81	206.80
	Other expenses	905.22	1,436.66
	Total expenses	4,016.69	3,685.76
	Profit/(loss) before exceptional items and tax	(570.46)	(160.28)
	Exceptional items	-	206.58
	Profit/(loss) before tax from discontinued operations	(570.46)	46.30
	Tax expense	-	-
	Profit/(loss) after tax from discontinued operations	(570.46)	46.30
b)	Net cash flows attributable to the discontinued operations :		
	Net cash (outlfows) / inflows from operating activities	(473.96)	1,378.92
	Net cash (outlfows) / inflows from investing activities	59.09	(3,801.45)
	Net cash (outlfows) / inflows from financing activities	(360.51)	-
	Net cash (outlfows) / inflows	(775.38)	(2,422.53)

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
c)	Book value of assets and liabilities of discontinued operations		
	Property, plant and equipment and intangible assets (including CWIP)	637.31	3,237.00
	Investments	3,385.75	3,385.85
	Other non-current financial assets	0.25	7.12
	Other non-current assets	-	257.73
	Inventories	-	335.00
	Trade receivable	-	619.09
	Cash and cash equivalents	-	19.37
	Other current financial assets	0.83	95.96
	Other current assets	-	119.40
	Total assets	4,024.14	8,076.52
	Non-current liabilities (Provisions)	6.83	202.07
	Other non-current liabilities	-	31.39
	Trade payables	1.57	1,836.04
	Other financial liabilities	-	55.95
	Other current liabilities	-	32.27
	Current liabilities - provisions	2.53	42.47
	Total liabilities	10.93	2,200.19
	Net assets	4,013.21	5,876.33

(Rs. in million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
38	**Income tax**		
	Income tax expense consists of the following:		
	Current tax expense for the year	398.82	74.75
	Deferred tax		
	Minimum alternative tax (MAT) credit adjustment/(entitlement)	(227.83)	27.83
	Deferred tax expense/(credit)	-	3.50
	Total income tax	170.99	106.08
	Reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:		
	Profit/(loss) before income taxes from continuing operations	(789.25)	325.48
	Profit/(loss) before income taxes from discontinued operations	(570.46)	46.30
	Profit/(loss) before income taxes from continuing and discontinued operations	(1,359.71)	371.78
	At Company's statutory income tax rate of 34.944% (March 31, 2019: 34.944%) (refer note below)	(475.14)	129.91
	Adjustments in respect of current income tax :		
	Minimum alternative tax (MAT) for current year	-	74.75
	Adjustment on account of different tax base and tax rates	873.96	-
	Deferred tax not created on unused losses and depreciation in earlier years	-	(126.41)
	Minimum alternative tax (MAT) credit adjustment/(entitlement)	(227.83)	27.83
	Income tax expense reported in the Statement of Profit and Loss	170.99	106.08

Note:
Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option. Accordingly, current tax liabilities and deferred tax asset/liabilities have been recorded at enacted tax rate of 34.944%.

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follow:

	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Deferred tax assets/liabilities in relation to :				
Deferred tax liabilities arising out of:				
Property, plant and equipment and intangible assets	1,465.88	(129.15)	-	1,336.73
Capital expenditure on research and development	8.44	(8.34)	-	0.10
	1,474.32	(137.49)	-	1,336.83
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	407.06	(347.67)	-	59.39
Effect of unabsorbed business loss and depreciation	1,051.76	197.99	-	1,249.75
Minimum alternative tax credit entitlement	192.04	(170.99)	(6.60)	14.45
Others	15.50	12.19	-	27.69
	1,666.36	(308.48)	(6.60)	1,351.28
Net deferred assets/(liabilities)	192.04	(170.99)	(6.60)	14.45

Notes to the financial statements for the year ended March 31, 2020

(Rs. in million)

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follow:

	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Deferred tax assets/liabilities in relation to :				
Deferred tax liabilities arising out of:				
Property, plant and equipment and intangible assets	1,762.80	(296.92)	-	1,465.88
Capital expenditure on research and development	105.93	(97.49)	-	8.44
Others	0.77	(0.77)	-	-
	1,869.50	(395.18)	-	1,474.32
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	425.54	(18.48)	-	407.06
Effect of unabsorbed business loss and depreciation	1,385.86	(334.10)	-	1,051.76
Minimum alternative tax credit entitlement	219.87	(27.83)	-	192.04
Others	58.10	(46.10)	3.50	15.50
	2,089.37	(426.51)	3.50	1,666.36
Net deferred tax assets/ (liabilities)	219.87	(31.33)	3.50	192.04

Tax losses : No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised.

(Rs. in million)

Financial year	Year of expiry	**As at March 31, 2020**	As at March 31, 2019
Business Loss			
2011-12	2019-20	-	413.76
2012-13	2020-21	-	1,542.60
2013-14	2021-22	-	1,554.28
2016-17	2024-25	-	74.67
2017-18	2025-26	-	124.49
Potential tax benefit		-	1,296.35
Long term capital loss			
2017-18	2025-26	-	608.79
Potential tax benefit		-	141.82
Short term capital loss			
2017-18	2025-26	-	72.98
Potential tax benefit		-	25.50

Deferred tax assets have been recognised to the extent there are sufficient taxable temporary differences.

Minimum Alternate Tax (MAT)

The Company has unused MAT credit which has been recognised on the basis that recovery is probable in the foreseeable future. MAT credit of Rs.14.45 million will expire on March 31, 2034.

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
39. Earnings per share		
Profit/(loss) attributable to shareholders from continuing operations	(960.24)	219.40
Profit/(loss) attributable to shareholders from discontinued operations	(570.46)	46.30
Weighted average number of equity shares	61,250,746	61,250,746
Face value per equity share (in Rs.)	1.00	1.00
Profit/(loss) per equity share		
- Basic and diluted earnings per equity share from continuing operations (in Rs.)	(15.68)	3.58
- Basic and diluted earnings per equity share from discontinued operations (in Rs.)	(9.31)	0.76
- Basic and diluted earnings per equity share from continuing and discontinued operations (in Rs.)	(24.99)	4.34

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
40. Contingent liabilities and commitments		
(A) Contingent liabilities (to the extent non provided for)		
Disputed demands/show cause notices under:		
Income tax cases (refer note (a) (i), (ii) and (iii) below)	3,462.86	3,462.86
Customs duty cases (refer note (b) below)	4.00	4.00
Labour cases (in view of large number of cases, it is impracticable to disclose each case)	170.00	170.00
Sales Tax / VAT cases (refer note (e) below)	3.24	403.73

Notes to the financial statements for the year ended March 31, 2020

Notes :

a) i) Includes income tax demand of Rs.162.22 million in respect to Assessment Year 2005-06. The Income Tax department had issued demand based on certain grounds related to purchases made by the Company from an overseas vendor. The matter was decided in favour of the Company and the demand was cancelled by CIT (Appeals). However, the Income Tax Department has filed appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. The Company believes that it has merit in these cases, hence no provision is required.

ii) A search operation was conducted by the Income Tax Department in the premises of the Company in January 2012 and hence the Company had re-filed the income tax returns for the Assessment Year 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs.3,294.90 million (including interest) on various grounds. The Company preferred appeals before the CIT (Appeals) against the orders of the Income Tax department. The appeals were decided in favour of the Company and the demand was cancelled. However, CIT (Appeals) has made certain disallowances with respect to Assessment Year 2010-11 and 2011-12 against which the Company has filed appeals before the ITAT. The Income Tax Department has also filed appeals before ITAT against the orders of CIT (Appeals). The appeals before ITAT are pending at present. Based on legal advice, the Company believes that it has merits in these cases, hence no provision is required.

iii) The income tax department issued a demand of Rs.5.74 million in respect of Assessment Year 2009-10 on the Company due to non-deduction of withholding tax on payment made to a non-resident person towards purchase of immovable property. The Company filed an appeal before CIT (Appeals) against the order of department but the CIT (Appeals) gave decision in favour of department. The Company filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. During the year, the Company has moved an application under the 'Vivad Se Vishwas Scheme' for settlement of the case.

b) In respect of custom duty demand, the Assessing Officer levied custom duty on certain exempted items imported by the Company. The Company has deposited the entire amount of demand under protest amounting to Rs.4.00 million and the matter is pending before the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"). The Company believes that it has merit in its case, hence no provision is required.

c) In respect of sales tax / VAT demands for Ahmedabad, Lucknow, Bangaluru, Patna, Ranchi, Chandigarh and Indore, the department has disallowed certain credit notes and non-submission of statutory forms etc. The Company believes that it has merit in these cases and hence no provision is required.

d) The Company had manufactured and offered supply of certain vaccines which were manufactured against the confirmed order received from the Ministry of Health and Family Welfare ("MOH&FW"). Some quantities of vaccines were supplied during December 2011, the balance could not be supplied in view of disputes with respect to delivery dates and in the meantime the stock of such vaccines amounting to Rs. 74.1 million expired. Further, the Company had also received an advance market commitment ("AMC") amounting to Rs. 100.00 million against these vaccines. The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOH&FW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. The arbitration award was pronounced in favour of the Company on March 14, 2019, vide which MOH&FW was directed to pay the applicable amount for vaccine supplied/offered for supply along with interest. MOH&FW has filed an appeal before Hon'ble Delhi High Court raising certain objections against the award, which was dismissed by the Hon'ble Court. The Company's application for execution of award is currently pending before the Hon'ble Delhi High Court. The Company believes that the outcome of this matter will not have any material adverse impact on the financial position of the Company.

(B) Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment	41.50	36.75

b) Other commitments:

i) The Company has received financial assistance in the form of soft loan under various projects from Department of Biotechnology, Department of Science & Technology and Technology Development Board respectively. As per the terms of related agreements, the Company is also required to incur expenditure in the form of monetary contribution to the relevant projects. The amount of commitment is not quantifiable.

ii) Refer note 41 for commitments relating to lease arrangements.

41. Leases

Company as a lessee

The Company has adopted Ind AS 116, Leases, effective April 1, 2019. The Company does not have any long-tern non cancellable leases. As on April 01, 2019, leasehold land has been transferred to Right of Use ("RoU") asset. Refer note 2.1 for details. Lease payments with respect to short term leases amount to Rs.4.50 million which has not been included in the measurement of lease liability. As there were no lease commitments as at March 31, 2019, hence disclosures related to reconciliation of total lease commitments as at March 31, 2019 to the lease liabilities recognised at April 01, 2019 is not applicable.

Company as a lessor

Operating leases: The Company has entered into operating leases on its investment property portfolio consisting of certain office, guest house, warehouse manufacturing buildings etc. These leases have terms of 20 years. All leases include a clause for upward revision of the rental charge by 5% on an annual basis according to prevailing market conditions. Rental income recognised by the Company from above said lease agreements is Rs.7.33 million (2019: Rs. Nil).

Future minimum rentals receivable under non-cancellable operating leases as at March 31, 2020 are as follows:

(Rs. in million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Within one year	43.99	-
After one year but not more than five years	175.97	-
More than five years	652.55	-
Total	872.51	-

Notes to the financial statements for the year ended March 31, 2020

42. (A) Details of dues to micro, small and medium enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]:

(Rs. in million)

S. no.	Particulars	As at March 31, 2020 Principal	As at March 31, 2020 Interest*	As at March 31, 2019 Principal	As at March 31, 2019 Interest*
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	28.55	1.08	33.83	9.33
ii)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	69.68	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	1.08	-	9.33
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-	-	-

*Included in "expense payable" in note 23.

Notes: Principal includes Rs. Nil (March 31, 2019: Rs.17.66 million) relating to discontinued operations
Interest includes Rs. Nil (March 31, 2019: Rs.6.62 million) relating to discontinued operations

(B) Details of loans and advances, in the ordinary course of business, to subsidiaries, associates and companies in which directors are interested (as required under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015):

(Rs. in million)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Loans to wholly owned subsidiaries (including accrued interest)		
i) Rees Investments Limited	-	585.16
ii) Panacea Biotec (International) SA	82.97	74.69
iii) Panacea Biotec Germany GmbH	273.84	246.50
Total	356.81	906.35
b) Maximum amount due at any time during the year		
i) Rees Investments Limited	-	585.16
ii) Panacea Biotec (International) SA	82.97	74.69
iii) Panacea Biotec Germany GmbH	273.84	246.50
Total	356.81	906.35
c) Advance paid against purchase of materials to subsidiaries (net)		
PanEra Biotec Private Limited	-	91.68
d) Allowance for doubtful advances on above loan and interest receivable	356.81	906.35

43. Related Party Disclosures

As per Ind AS 24, the disclosure of transactions with related parties are as given below:

A. Names of related parties and related party relationships

i) Parties where control exists

Subsidiaries:
- Radhika Heights Limited ("RHL") (Wholly-owned subsidiary ("WOS")#
- Ravinder Heights Limited ("RVHL") (Wholly-owned subsidiary ("WOS") w.e.f. April 15, 2019)#
- Cabana Construction Private Limited (Indirect WOS ("IWOS") through RHL)#
- Cabana Structures Limited (IWOS through RHL)#
- Nirmala Buildwell Private Limited (IWOS through RHL)#
- Nirmala Organic Farms & Resorts Private Limited (IWOS through RHL)#
- Radicura Infra Limited (IWOS through RHL)#
- Sunanda Infra Limited (IWOS through RHL)#
- Rees Investments Limited ("Rees"), Island of Guernsey (WOS) (liquidated on May 23, 2019) (refer note 55)
- Panacea Biotec (International) SA ("PBS"), Switzerland (WOS)
- Panacea Biotec Germany GmbH ("PBGG"), Germany (IWOS through PBS)
- Panacea Biotec Pharma Limited ("PBPL") (WOS) (w.e.f. March 22, 2019)
- Meyten Realtech Pvt. Ltd. (WOS) (w.e.f. April 12, 2019)
- Adveta Power Private Limited ("Adveta")*
- PanEra Biotec Private Limited ("PanEra")*

Refer note 37(ii)
* *considered as subsidiary for the purpose of consolidation as per Ind AS 110.*

Notes to the financial statements for the year ended March 31, 2020

ii) Other related parties:

a) Joint Ventures: • Chiron Panacea Vaccines Private Limited (Under liquidation) ("CPV")

b) Key Management Personnel:
- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- Dr. Rajesh Jain - Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- Mrs. Sunanda Jain - Whole-time Director
- Mr. Sumit Jain - Whole-time Director designated as Director Operations & Projects
- Mr. Ankesh Jain - Whole-time Director designated as Director Sales & Marketing
- Mr. Vinod Goel - Group CFO and Head Legal & Company Secretary
- Mr. Devender Gupta - Chief Financial Officer & Head Information Technology
- Mr. R. L. Narasimhan - Non-Executive Independent Director
- Mr. N. N. Khamitkar - Non-Executive Independent Director
- Mr. K. M. Lal - Non-Executive Independent Director
- Mrs. Manjula Upadhyay - Non-Executive Independent Director
- Mr. Mukul Gupta - Non-Executive Independent Director
- Mr. Ashwini Luthra - Non-Executive Independent Director (w.e.f. October 18, 2018)
- Mr. Bhupinder Singh - Non-Executive Independent Director (w.e.f. April 08, 2019)
- Mr. Nithin Krishna Kaimal - Non-Executive Director (from April 08, 2019 to December 10, 2019)
- Mr. Shantanu Yeshwant Nalavadi - Non-Executive Director (w.e.f. December 10, 2019)

c) Relatives of Key Management personnel having transactions with the Company:
- Mr. Ashwani Jain, son-in-law of Mr. Soshil Kumar Jain
- Mr. Shagun Jain, son-in-law of Mrs. Sunanda Jain
- Mrs. Radhika Jain, daughter of Mrs. Sunanda Jain
- Mrs. Shilpy Jain, wife of Mr. Sumit Jain and daaughter-in-law of Mrs. Sunanda Jain
- Mr. Harshet Jain, son of Dr. Rajesh Jain and brother of Mr. Ankesh Jain

d) Enterprises over which Person(s) (having control or significant influence over the Company / Key management personnel(s), along with their relatives) are able to exercise significant influence:
- Neophar Alipro Limited ("Neophar")
- Lakshmi & Manager Holdings Limited ("LMH"),
- Trinidhi Finance Private Limited ("Trinidhi") subsidiary of LMH
- Best General Insurance Company Limited (subsidiary of LMH)
- First Lucre Partnership Co. (holding shares in the Company)
- White Pigeon Estate Private Limited
- OKI Estate Private Limited
- Panacea Life Sciences Limited

B. Transactions with Subsidiaries and Joint Ventures Companies:

(Rs. in million)

S. No.	Particulars	Subsidiaries		Joint Ventures	
		For the year ended		For the year ended	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
I	**Transactions made during the year:**				
1	Purchase of raw materials (including advance paid)				
	PanEra	0.18	221.42		
	PBPL	199.93	-		
2	Sale of goods/material				
	PanEra	-	0.18		
	PBGG	3.51	9.46		
	PBPL	34.40	-		
3	Recovery of expenses				
	PanEra	-	0.74		
4	Reimbursement of expenses				
	PanEra	-	6.74		
	PBPL	0.04	-		
	RVHL	0.05	-		
5	Rent paid/ provided				
	PBPL	0.43	-		
	RHL	21.28	6.91		
6	Rent income				
	Adveta	0.06	0.06		
	CPV			0.36	0.36
	PanEra	0.16	4.20		
	PBPL	12.14	-		
	RHL	-	0.52		
	RVHL	0.02	-		

Panacea Biotec
Innovation in support of life

Notes to the financial statements for the year ended March 31, 2020

(Rs. in million)

S. No.	Particulars	Subsidiaries		Joint Ventures	
		For the year ended		For the year ended	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
7	Interest income				
	Meyten	0.00	-		
	PBS	8.28	7.46		
	PBGG	27.34	24.63		
8	Interest expenses on loans				
	RHL	23.34	27.69		
9	Provision for impairment of investment/doubtful advances				
	PanEra	43.63	4.20		
	PBGG	27.34	-		
	PBS	8.28	34.36		
10	Slump Sale of Business				
	PBPL	0.10	-		
11	Investment in share capital				
	Meyten	0.10	-		
	RVHL	0.10	-		
II	**Year end balances:**				
1	Investments				
	Adveta	0.90	0.90		
	CPV			22.96	22.96
	Meyten	0.10	-		
	PanEra	4.20	4.20		
	PBPL	1.00	1.00		
	PBS (refer note 55)	34.36	34.36		
	Rees	-	0.00		
	RHL	3,385.65	3,385.65		
	RVHL	0.10	-		
2	Outstanding loan receivable				
	Meyten	0.10	-		
	PBS	74.69	67.23		
	PBGG	246.50	221.87		
	Rees	-	585.16		
3	Outstanding loan payable				
	RHL (refer note 18(B)(5) and note 56)	245.03	421.83		
4	Interest accrued receivable				
	Meyten	0.00	-		
	PBS	8.28	7.46		
	PBGG	27.34	24.63		
5	Interest accrued payable				
	RHL	1.78	-		
6	Allowance for doubtful loans (including accrued interest)				
	Rees	-	585.16		
	PBS	82.97	74.69		
	PBGG	273.84	246.50		
7	Outstanding receivable				
	PBGG	3.51	6.62		
	PanEra	-	43.68		
	PBPL	53.51	-		
	RVHL	0.05	-		
	Adveta	0.18	0.11		
	CPV			0.06	0.03
8	Outstanding loan and advances, (net)				
	PanEra	-	91.68		
9	Provision for impairment for investment				
	PanEra	4.20	4.20		
	PBS	34.36	34.36		
10	Outstanding payable				
	PanEra	-	48.01		
	PBGG	-	17.55		
	PBPL	41.31	-		
	RHL	4.26	25.53		

Notes to the financial statements for the year ended March 31, 2020

C. Transactions with Key Management Personnel, their relatives and Enterprises over which Person(s) (having control or significant influence over the Company / Key management personnel(s), along with their relatives) are able to exercise significant influence: (Rs. in million)

S. No.	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Person(s) (having control or significant influence over the Company / Key management personnel(s), along with their relatives) are able to exercise significant influence	
		For the year ended		For the year ended		For the year ended	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
I	**Transactions made during the year:**						
1	Short-term employee benefits						
	Mr. Soshil Kumar Jain *	11.50	11.19				
	Mrs. Sunanda Jain	5.49	5.80				
	Dr. Rajesh Jain*	7.54	7.30				
	Mr. Sandeep Jain*	6.82	6.70				
	Mr. Sumit Jain*	4.40	4.18				
	Mr. Ankesh Jain*	2.56	2.42				
	Mr. Vinod Goel	5.37	5.62				
	Mr. Devender Gupta	3.99	4.37				
	Mr. Ashwani Jain			2.99	3.03		
	Mrs. Shilpy Jain			-	0.35		
	Mrs. Radhika Jain			2.11	2.14		
	Mr. Harshet Jain			0.66	0.35		
2	Post-employment benefits;						
	Mr. Soshil Kumar Jain *	16.69	16.23				
	Dr. Rajesh Jain*	6.75	10.43				
	Mr. Sandeep Jain*	6.14	9.64				
	Mrs. Sunanda Jain	0.31	0.24				
	Mr. Sumit Jain*	1.84	2.95				
	Mr. Ankesh Jain*	0.54	0.81				
	Mr. Vinod Goel	1.09	1.33				
	Mr. Devender Gupta	0.60	0.76				
	Mr. Shagun Jain			-	0.57		
	Mr. Ashwani Jain			1.40	1.75		
	Mrs. Radhika Jain			0.41	0.50		
	Mr. Harshet Jain			0.01	-		
3	Fee for attending board/committee meetings						
	Mr. R. L. Narasimhan	0.28	0.33				
	Mr. N. N. Khamitkar	0.19	0.31				
	Mr. K. M. Lal	0.26	0.27				
	Mrs. Manjula Upadhyay	0.15	0.25				
	Mr. Mukul Gupta	0.10	0.25				
	Mr. Ashwini Luthra	0.20	0.10				
	Mr. Bhupinder Singh	0.20	-				
4	Rent income						
	Neophar					0.18	0.18
	Trinidhi					0.22	0.22
5	Interest expenses						
	Mr. Soshil Kumar Jain	11.65	9.43				
	Dr. Rajesh Jain	11.17	8.88				
	Mrs. Sunanda Jain	2.05	1.15				
	Trinidhi					0.16	0.29
6	Consultancy Expenses						
	Mrs. Shilpy Jain			0.58	0.48		
7	Interest converted into loan						
	Mr. Soshil Kumar Jain	-	20.45				
	Dr. Rajesh Jain	-	17.39				
	Mrs. Sunanda Jain	-	8.84				
	Trinidhi					-	1.45
8	Loan received						
	Dr. Rajesh Jain	-	8.00				
9	Loan Repaid						
	Trinidhi					3.38	-
10	Write off/Reversal of excess managerial remuneration						
	Mr. Soshil Kumar Jain	38.94	11.19				
	Mrs. Sunanda Jain	43.01	5.80				
	Dr. Rajesh Jain	26.30	7.30				
	Mr. Sandeep Jain	23.06	6.70				
	Mr. Sumit Jain	15.35	4.18				
	Mr. Ankesh Jain	7.31	2.42				

Notes to the financial statements for the year ended March 31, 2020

S. No.	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Person(s) (having control or significant influence over the Company / Key management personnel(s), along with their relatives) are able to exercise significant influence	
		For the year ended		For the year ended		For the year ended	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
II	**Year end balances**						
1	Loan payable (refer note 18(B)(5))						
	Mr. Soshil Kumar Jain	125.20	125.20				
	Dr. Rajesh Jain	120.02	120.02				
	Mrs. Sunanda Jain	21.57	21.57				
	Trinidhi					-	3.38
2	Interest/Expense payable						
	Mr. Soshil Kumar Jain	10.48	-				
	Dr. Rajesh Jain	10.05	-				
	Mrs. Sunanda Jain	0.16	-				
	Mrs. Shilpy Jain			0.04	0.05		
3	Remuneration Payable						
	Mr. Soshil Kumar Jain *	-	1.83				
	Dr. Rajesh Jain*	-	1.23				
	Mr. Sandeep Jain*	-	1.13				
	Mr. Sumit Jain*	-	0.81				
	Mr. Ankesh Jain*	-	0.38				
	Mr. Vinod Goel	-	0.50				
	Mr. Devender Gupta	-	0.76				
	Mrs. Sunanda Jain	-	1.04				
	Mr. Ashwani Jain			-	0.58		
	Mrs. Shilpy Jain			-	0.25		
	Mrs. Radhika Jain			-	0.29		

* Refer note 53

Note: In respect of personal guarantees given by promoter directors, refer note 18 and note 52. The above transactions are in the ordinary course of business.

44. Assets mortgaged/ hypothecated as security for borrowings are as under: (Rs. in million)

Particulars	Note	**As at March 31, 2020**	As at March 31, 2019
Non Current			
Property, plant and equipment	2.1	4,462.59	4,948.72
Capital work in progress	2.2	36.60	29.52
Investment Properties	2.3	519.87	-
Intangible assets	2.4	10.29	15.66
Intangible assets under development	2.5	0.81	1.52
Financial assets			
Loans	4	11.16	6.34
Other financial assets	5	5.61	8.86
Other non-current assets	8	132.92	21.03
Total non-current assets pledged as security		5,179.85	5,031.65
Current			
Inventories	9	992.26	425.05
Financial assets			
Trade receivables	10	176.86	251.95
Cash and cash equivalents	11	149.15	49.58
Other bank balances	12	456.94	28.95
Loans	13	11.31	162.02
Others financial assets	14	65.56	8.77
Other current assets	15	269.87	158.23
Total current assets pledged as security		2,121.95	1,084.55
Assets classified as held for sale and discontinued operations	37	638.39	4,690.67
Total assets mortgaged/ hypothecated as security		7,940.19	10,806.87

Notes: i) The above assets have been mortgaged/hypothecated for securing the debts of the Company and/or PBPL.

ii) The details of the immovable properties of the Company mortgaged in favour of Vistra (ITCL) India Limited (acting as trustee on behalf of the holders of Non-convertible Debentures (NCDs), to secure the NCDs issued by the Company and subsequently novated in favour of PBPL w.e.f. February 01, 2020, are as under:

a) All parcels of land admeasuring 161 Bighas, 18 Biswas and 10 Biswasi situated at Village Samelheri, Tehsil Derabassi, District S.A.S. Nagar (Mohali), Punjab;

b) All parcels of land admeasuring 26 Bighas 3 biswas comprised in various Khewat/Khatoni Numbers, situated at Village Manpura, Tehsil Baddi, District Solan, Himachal Pradesh;

c) All parcels of land admeasuring 91 Bighas 1 Biswa (including 58 Bighas 6 Biswa transferred to PBPL vide deed of conveyance dated Feburary 04, 2020), comprised in various Khewat/Khatoni Numbers situated at Village Malpur, Tehsil Baddi, District Solan, Himachal Pradesh;

d) Flat number 3, 4, 203 and 303 situated at Elite Heights Apartment, at municipal no. 6-3-1238/15/1 & 6-3-1238/16 survey no. 32/1, at Somajiguda, Hyderabad, Telangana;

e) Industrial plot no. A-24, A-25 and A-27 having land measuring 718.92 sq yds each at Block B-1 Extension and Industrial plot no. E-12 having land measuring 1,372.52 sq yds at Block B-1, situated at Mohan Co-operative Industrial Estate, Mathura Road, New Delhi;

f) 80 flats, i.e., 20 flats comprising in block A-2 bearing no: 101 to 104, 201 to 201, 301 to 304, 401 to 404 & 501 to 504 each having super area 1495 sqft and 60 flats in block B-10, B-11, B-12 bearing no. 101 to 104, 201 to 201, 301 to 304, 401 to 404 & 501 to 504 each having super area 1161 sqft (30 flats) and super area 1186 sq ft (30 flats) in building built on land measuring 28 bigha 11 biswa in khewat khatoni no: 89/91 comprised in khasra no: 1747 (4-12), khewat khatoni no: 168/194 khasra no: 1970/1746 (1-15), 1971/1746 (3-0), 1748 (9-0) khewat khatoni no: 339/333 khasra no: 1749 (4-11), 1750 (5-13), kitas 6, village Bhatoli Kalan, Hadbast no. 214, Pargna Dharampura, Tehsil Baddi, District Solan, H.P.

g) Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri (East), Mumbai;

h) Flat no. 401, 601 in A-wing and Flat no. 214 in C-wing situated at Progressive's Signature Tower, plot no: 53/54 sector-6, Ghansoli, Navi Mumbai;

i) Residential premises no. 703, 704, 903, 904 and 1001 to 1004 in wing "B" of Sagar Heights Building F; and Commercial premises no. 707 to 712, 714 to 718, 808 to 812 and 814 to 818 in Sagar Tech Plaza- Building A, all situated at CTS no . 721/A, 721B, & 721/1 survey no: 14,15,2052, at village Mohili, Andheri Kurla Road, Andheri (East), Mumbai; and

j) Industrial plot no. Gen-72/3, land measuring 5518 sqmts in the Trans Thane Creek Industrial Area, Navi Mumbai.

iii) The NCDs are additionally secured by way of (a) personal guarantees of Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain, directors of the Company; (b) pledge of 39,776,227 equity shares and entire preference shares held by the promoters and promoter group members; (c) pledge of equity shares of PBPL held by the Company; and (d) corporate guarantee of the Company.

45. Research and development expenditure

Research and development expenditure incurred by the Company during the financial year are mentioned below:

(Rs. in million)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Revenue expenditure (refer note (i) below)		
Material consumed	7.77	14.52
Employee benefits expense	81.00	149.76
Other expenses	116.36	400.51
Depreciation and amortisation expense	40.60	98.10
Capital expenditure (refer note (ii) below)	1.97	39.50
Total	247.70	702.39

Notes: i) Revenue expenditure includes Rs.138.65 million (March 2019: Rs.407.06 million) pertaining to discontinued operations

ii) Capital expenditure includes Rs.1.97 million (March 2019: Rs.23.32 million) pertaining to discontinued operations

46. Employee benefits obligations

(A) Defined benefit plan

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Salary Risk	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate Risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability Risk	Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals Risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Gratuity (funded)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 to employees who are in continuous service for a period of 5 years. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 13.27 years (March 31, 2019: 14.51 years).

Notes to the financial statements for the year ended March 31, 2020

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
a	Reconciliation of present value of defined benefit obligation and the fair value of plan assets :		
	Present value of defined benefit obligation as at the end of the year	107.97	231.76
	Fair value of plan assets as at the end of the year	22.42	38.06
	Net liability position recognised in balance sheet*	85.55	193.70
	* includes Rs.4.52 million pertaining to discontinued operations.		
b.	Changes in defined benefit obligation :		
	Present value of defined benefit obligation as at the start of the year	231.76	213.51
	Acquisition/business transfer adjustment	(115.42)	6.84
	Interest cost	8.91	16.23
	Current service cost	8.37	21.34
	Benefits paid for eligible employees	(6.69)	(35.34)
	Actuarial (gain)/loss	(18.96)	9.18
	Present value of defined benefit obligation as at the end of the year	107.97	231.76
c.	Net interest cost :		
	Interest cost on defined benefit obligation	8.91	16.23
	Interest income on plan assets	1.32	5.02
	Net interest cost	7.59	11.21
d.	Amount recognised in the statement of profit and loss :		
	Current service cost	8.37	21.34
	Net interest cost	7.59	11.21
	Amount recognised in the statement of profit and loss	15.96	32.55
e.	Change in plan assets :		
	Fair value of the plan assets at the beginning of the year	38.06	66.05
	Acquisition/business transfer adjustment	(20.77)	-
	Actual return on plan assets	1.55	4.17
	Employer contribution	9.23	3.81
	Fund management charges	(0.28)	(1.14)
	Benefits paid for eligible employees	(5.37)	(34.83)
	Fair value of the plan assets at the end of the year	22.42	38.06
f.	Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity		
	Investment with insurer	100%	100%
g.	Other comprehensive income :		
	Actuarial loss on arising from change in demographic assumption	-	(6.54)
	Actuarial (gain)/loss on arising from change in financial assumption	(8.39)	46.06
	Actuarial loss on arising from experience adjustment	(10.57)	(30.34)
	Actuarial loss on arising on plan assets	(0.36)	0.84
	Total actuarial loss for the year	(19.32)	10.02
h.	Actuarial assumptions :		
	Discount rate	6.76%	7.66%
	Future salary increase	6.00%	8.00%
i.	Demographic Assumption :		
	Retirement age (years)	60	60/75
	Mortality rates inclusive of provision for disability	100%	100%
	Ages	Withdrawal Rate (%)	
	Up to 30 years	10.00	10.00
	From 31 to 44 years	5.00	5.00
	Above 44 years	1.00	1.00
j.	Sensitivity analysis for gratuity liability :		
	Impact of the change in discount rate		
	a) Impact due to increase of 0.50%	(4.74)	(19.28)
	b) Impact due to decrease of 0.50%	5.15	4.43
	Impact of the change in salary increase		
	a) Impact due to increase of 0.50%	4.52	2.67
	b) Impact due to decrease of 0.50%	(4.23)	(17.84)
k.	Maturity profile of defined benefit obligation :		
	April 2019 to March 2020	-	31.12
	April 2020 to March 2021	5.27	6.28
	April 2021 to March 2022	2.35	6.02
	April 2022 to March 2023	2.44	12.85
	April 2023 to March 2024	3.88	15.37
	April 2024 to March 2025	12.68	5.38
	April 2025 to March 2026	3.76	-
	April 2026 onwards	56.30	154.74

B. Defined contribution plans

The Company's contribution to state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds.

47. On account of continuous losses of the Company, certain delays and defaults, in repayment of loan instalments (including accrued interest thereon)/interest on borrowings, have occurred during the year, which are described below:

(Rs. in million)

Particulars	Amount of total installment/ interest	Due Date	Paid On
Biotechnology Industrial Research Assistance Council (BIRAC) - Loan 1	7.00	March 31, 2020	Unpaid
Radhika Heights Limited	1.78	March 31, 2020	April 30, 2020
Mrs. Sunanda Jain	0.16	March 31, 2020	April 30, 2020
Ulterior Holdings Private Limited	0.72	March 31, 2020	June 29, 2020
Ulterior Holdings Private Limited	35.63	March 31, 2020	Unpaid
Radicura Pharmacuticals Private Limited	11.87	March 31, 2020	Unpaid
Tirupati Medicare Limited	0.96	March 31, 2020	Unpaid

48. Fair value measurements

(A) Financial assets and liabilities

The carrying amounts and fair values of financial instruments by class are as follows:

(Rs. in million)

As at March 31, 2020	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
(i) Investments	0.70	-	-
(ii) Trade receivables	-	-	176.86
(iii) Cash and cash equivalents	-	-	149.15
(iv) Other bank balances	-	-	456.94
(v) Loans	-	-	22.47
(vi) Others financial assets	-	-	71.17
Total	0.70	-	876.59
Financial Liabilities			
(i) Borrowings	-	-	695.88
(ii) Trade payables	-	-	1,358.96
(iii) Other financial liabilities	-	-	0.93
Total	-	-	2,055.77

As at March 31, 2019	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
(i) Investments	0.70	-	-
(ii) Trade receivables	-	-	251.95
(iii) Cash and cash equivalents	-	-	49.58
(iv) Other bank balances	-	-	28.95
(v) Loans	-	-	168.36
(vi) Others financial assets	-	-	17.63
Total	0.70	-	516.47
Financial Liabilities			
(i) Borrowings	-	-	6,906.94
(ii) Trade payables	-	-	778.81
(iii) Other financial liabilities	-	-	0.44
Total	-	-	7,686.19

Investment in subsidiaries and joint venture amounting to Rs. 3,449.27 million are measured at cost as per Ind AS 27, 'Separate Financial Statements' and hence, not presented here.

(B) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The different levels of fair value have been defined below:

Level 1: Quoted prices (unadjusted) in an active market for financial instruments.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

Notes to the financial statements for the year ended March 31, 2020

B1. Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. in million)

As at March 31, 2020	Note	Level 1	Level 2	Level 3
Investments	3	-	0.70	-

As at March 31, 2019	Note	Level 1	Level 2	Level 3
Investments	3	-	0.70	-

B2. Fair value of instruments measured at amortised cost

Particulars	**As at March 31, 2020**		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings	695.88	674.42	6,906.94	6,870.54

The management assessed that fair value of cash and cash equivalents, trade receivables, security deposits, loan to related parties, other financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i) The fair values of the Company's fixed interest-bearing borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

ii) All the other long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's credit worthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

49. Financial risk management

Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counter parties and incorporates this information into its credit risk controls.

A1. Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset Company	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or 12 month expected credit loss*
High credit risk	Trade receivables and loans	Life time expected credit loss or fully provided for

*In respect of trade receivables, the Company recognises a provision for lifetime expected credit losses

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(Rs. in million)

Credit rating	Particulars	**As at March 31, 2020**	As at March 31, 2019
A: Low credit risk	Cash and cash equivalents	149.15	49.58
	Other bank balances	456.94	28.95
	Loans	22.47	168.36
	Other financial assets	71.17	17.63
B: Medium credit risk	Trade receivables	179.07	308.36
C: High credit risk	Trade receivables	4.18	8.50
	Loans	356.81	659.85

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become two year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to related parties and employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

A.2 Expected credit losses for financial assets other than trade receivables

The Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Company is in possession of the underlying asset. However, in respect of loans comprising loans to related parties, credit risk is evaluated on the basis of credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised (except in case of loans to related parties) on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

As at March 31, 2020 (Rs. in million)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	149.15	0.00%	-	149.15
Other bank balances	456.94	0.00%	-	456.94
Loans from related parties	356.91	100.00%	356.91	-
Loans from others	22.37	0.00%	-	22.37
Other financial assets	71.17	0.00%	-	71.17

As at March 31, 2019 (Rs. in million)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	49.58	0.00%	-	49.58
Other bank balances	28.95	0.00%	-	28.95
Loans from related parties	659.85	100.00%	659.85	-
Loans from others	168.36	0.00%	-	168.36
Other financial assets	17.63	0.00%	-	17.63

(Rs. in million)

Reconciliation of loss allowance	Loans
Loss allowance as on April 01, 2018	874.26
Expected loss recognised/(reversed) during the year	(214.41)
Amounts written off	-
Loss allowance as on March 31, 2019	659.85
Expected loss recognised/(reversed) during the year	282.22
Amounts written off	585.16
Loss allowance as on March 31, 2020	356.91

A.3 Expected credit loss for trade receivables under simplified approach

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein the Company has defined percentage of provision by analysing historical trend of default relevant to each category of customer based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Notes to the financial statements for the year ended March 31, 2020

As at March 31, 2020 (Rs. in million)

Particulars	Not Due	0-30 days post due	31-90 days post due	91-182 days post due	183-365 days post due	366-730 days post due	More than 730 days post due	Total
Gross carrying amount	74.25	20.44	30.80	0.12	-	1.99	1.99	128.79
Expected loss rate	0.05%	0.42%	0.23%	0.24%	1.72%	2.20%	100.00%	1.71%
Expected credit loss (Loss allowance provision)	0.03	0.09	0.07	0.00	-	0.03	1.99	2.21
Carrying amount of trade receivables (net of impairment)	74.22	20.35	30.73	0.12	-	1.16	-	126.58

As at March 31, 2019 (Rs. in million)

Particulars	Not Due	0-30 days post due	31-90 days post due	91-182 days post due	183-365 days post due	366-730 days post due	More than 730 days post due	Total
Gross carrying amount*	412.68	188.45	61.24	28.81	24.46	4.29	42.65	762.58
Expected loss rate	1.35%	2.00%	2.25%	4.40%	5.50%	10.00%	100.00%	7.40%
Expected credit loss** (Loss allowance provision)	5.57	3.77	1.38	1.27	1.35	0.43	42.65	56.41
Carrying amount of trade receivables (net of impairment)	407.11	184.68	59.86	27.54	23.11	3.86	-	706.17

* including Gross carrying amount of Rs.512.39 million pertaining to discontinued operations.
**ECL provision of Rs.52.15 million pertaining to discontinued operations.

Changes in allowance for trade receivables (Rs. in million)

Particulars	Amount
As at April 1, 2018	61.82
Movement during the year	3.09
As at March 31, 2019	64.91
Loss recognised/(reversed) during the year	(58.52)
As at March 31, 2020	6.39

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

B.1 Contractual Maturities of financial liabilities
The tables below analyse the Company's financial liabilities based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in million)

March 31, 2020	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	123.25	52.29	39.50	651.93	866.97
(ii) Trade payables	1,358.96	-	-	-	1,358.96
(iii) Other financial liabilities	0.93	-	-	-	0.93
Total	1,483.14	52.29	39.50	651.93	2,226.86

March 31, 2019	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	6,060.77	80.72	77.07	898.54	7,117.10
(ii) Trade payables	778.81	-	-	-	778.81
(iii) Other financial liabilities	0.44	-	-	-	0.44
Total	6,840.02	80.72	77.07	898.54	7,896.35

(C) Market risk

(i) Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the year end, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

The Company's exposure to interest rate risk on borrowings is as follows:

(Rs. in million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Variable rate	-	6,616.79
Fixed rate	672.45	269.98
Total	672.45	6,886.77

The following table illustrates the sensitivity of profit after tax and equity to a possible change in interest rates of +/- 1% in current year (March 31, 2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

(Rs. in million)

Interest sensitivity*	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Interest rates - increase by 100 basis points (March 31, 2019: 100 basis points)	-	(43.05)
Interest rates - decrease by 100 basis points (March 31, 2019: 100 basis points)	-	43.05

* Holding all other variables constant

(ii) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, JPY, CAD, GBP and TBH. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

(a) Foreign currency denominated financial assets and liabilities, translated at the closing rate, are as follows:

Particulars	Foreign currency	**As at March 31, 2020**			As at March 31, 2019		
		Amount in foreign currency	Closing rate	Amount (Rs. in million)	Amount in foreign currency	Closing rate	Amount (Rs. in million)
Financial assets :							
Balance with banks	USD	10,415	75.55	0.79	639	69.15	0.04
	Euro	-	-	-	2,732	77.66	0.21
	KZT	52,110	0.21	0.01	52,110	0.21	0.01
	RUB	4,431	0.96	0.00	16,460	1.05	0.02
Interest receivable	USD	471,531	75.55	35.62	458,684	69.97	32.09
Investment in subsidiaries	USD	-	-	-	10	47.62	0.00
	CHF	632,911	54.29	34.36	632,911	54.29	34.36
Loan to subsidiaries	USD	6,113,463	52.54	321.19	17,104,110	51.11	874.26
Foreign trade receivable	Euro	206,671	83.09	17.17	2,337,428	77.66	181.51
	USD	1,232,023	75.55	93.08	3,342,438	69.15	231.13
Financial liabilities :							
Foreign trade payable	USD	1,680,921	75.58	127.04	2,546,269	69.16	176.10
	Euro	1,124,641	83.14	93.50	1,475,188	77.70	114.62
	GBP	35,673	93.60	3.34	38,694	90.57	3.50
	JPY	2,722,810	0.70	1.91	2,722,810	0.62	1.70
	SEK	16,820	7.63	0.13	16,820	7.44	0.13
	CAD	6,828	53.60	0.37	43,428	51.54	2.24
	THB	5,547	2.30	0.01	5,547	2.18	0.01
Foreign currency loans	USD	-	-	-	15,681,865	72.49	1,136.70
Net exposure :							
	USD	6,146,511	-	323.64	2,677,746	-	(175.28)
	Euro	(917,970)	-	(76.33)	864,972	-	67.10
	GBP	(35,673)	-	(3.34)	-	-	(3.50)
	CHF	632,911	-	34.36	632,911	-	34.36
	RUB	4,431	-	0.00	16,460	-	0.02
	THB	(5,547)	-	(0.01)	(5,547)	-	(0.01)
	SEK	(16,820)	-	(0.13)	(16,820)	-	(0.13)
	CAD	(6,828)	-	(0.37)	(43,428)	-	(2.24)
	KZT	52,110	-	0.01	52,110	-	0.01
	JPY	(2,722,810)	-	(1.91)	(2,722,810)	-	(1.70)

* Closing exchange rate has been rounded off to two decimal places.

Notes to the financial statements for the year ended March 31, 2020

(b) Sensitivity analysis of change in material foreign currencies on profit/(loss) after tax

	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Currency	Profit for the year +200 bps		Profit for the year -200 bps	
USD	4.21	(2.28)	(4.21)	2.28
Currency	Profit for the year +500 bps		Profit for the year -500 bps	
EURO	(2.48)	2.18	2.48	(2.18)
Currency	Profit for the year +500 bps		Profit for the year -500 bps	
GBP	(0.11)	(0.11)	0.11	0.11
Currency	Profit for the year +200 bps		Profit for the year -200 bps	
JPY	(0.02)	(0.02)	0.02	0.02
Currency	Profit for the year +200 bps		Profit for the year -200 bps	
CHF	(0.00)	(0.03)	0.00	0.03

50. Capital management policies

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position recognised in other comprehensive income.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Company are summarised as follows:

(Rs. in million)

Particulars	**As at March 31, 2020**	As at April 1, 2019
Non-current borrowings	680.79	6,213.09
Current borrowings	35.68	693.85
Less: Cash and cash equivalents	(149.15)	(49.58)
Net debt	567.32	6,857.36
Total equity	8,927.33	4,184.72
Net debt to equity ratio	6.35%	163.87%

51. Reconciliation of liabilities arising out of financing activities

The changes in the Company's liabilities arising from financing activities are classified as follows:

(Rs. in million)

Particulars	Long term borrowings	Short term borrowings	Total
As at April 01, 2019	6,192.92	693.85	6,886.77
Cash changes:			
- Proceeds	7,430.00	-	7,430.00
- Repayment	(5,608.57)	(658.17)	(6,266.74)
Other non-cash changes:			
- Debt written back	(176.80)	-	(176.80)
- Transfer of debt pursuant to slump sale of pharma business	(7,124.31)	-	(7,124.31)
- Notional interest expense recorded on less than market rate loans	(76.47)	-	(76.47)
As at March 31, 2020	636.77	35.68	672.45
As at April 01, 2018	7,758.66	1,938.21	9,696.87
Cash changes:			
- Proceeds	-	8.00	8.00
- Repayment	(155.39)	(200.13)	(355.52)
Other non-cash changes			
- Adjustment on restructuring of debt	(2,226.70)	(550.64)	(2,777.34)
- Foreign currency monetary item translation difference	116.89	-	116.89
- Conversion of short term loan into long term loan	688.62	(688.62)	-
- Conversion of interst accued into short term loan	-	187.03	187.03
- Notional interest expense recorded on less than market rate loans	10.84	-	10.84
As at March 31, 2019	6,192.92	693.85	6,886.77

52. During the year under review, the Company has:

a. signed investment agreements with India Resurgence Fund ('IndiaRF'), promoted by Piramal Enterprises Limited and Bain Capital Credit, along with its affiliates (Investors) for obtaining long term funds of upto Rs.9,920.0 million, consequent to approval from shareholders in general meeting held on March 25, 2019. This investment was structured by way of subscription to Non-Convertible Debentures ('NCDs') of up to Rs.8,640.0 million and subscription amount of Rs.320.0 million towards share warrants to be allotted on a preferential basis. The subscription amount represents 25% of total amount of Rs.1,280.0 million proposed to be raised upon issuance of equity shares against warrants as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'). Upon exercise of conversion rights in the warrants, IndiaRF (along with its affiliates) will collectively own 10.4% stake in the equity share capital of the Company on a fully diluted basis;

b. issued and allotted 74,300 unrated, unlisted, redeemable NCDs, having the face value of INR 1 lakh each, aggregating to Rs.7,430.0 million under Series 1A, Series 1B and Series 2 NCDs to the Investors; The NCD Series 1A has maturity period of 12 months, Series 1B 60 months and Series 2 18 months from the date of allotment. The NCDs are secured by way of first pari-passu charge over entire fixed assets and current assets of the Company. The NCDs are additionally secured by way of (i) personal guarantees of Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain; (ii) pledge of 39,776,227 equity shares held by the promoters and promoter group members; and (iv) pledge of equity shares of PBPL held by the Company;

c. issued and allotted 71,11,111 convertible warrants at a price of Rs.180 each on a preferential basis to the Investors, entitling them to subscribe to an equivalent number of equity shares of face value of Re.1 each at a premium of Rs.179 per share as per the provisions of Chapter V of ICDR Regulations; and

d. Pursuant to the transfer of Company's pharmaceutical formulations business to its wholly-owned subsidiary, Panacea Biotec Pharma Limited (PBPL) as a going concern by way of slump sale, the above NCDs have been extinguished and novated in PBPL as a part of the transfer of said Business.

53. In view of absence of profits during financial years 2013-14 and 2012-13, total remuneration paid to the Managing/ Joint Managing and Whole time Directors exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956. Further, because of non-compliance to one of the conditions of part II Section II of Schedule V to the Companies Act, 2013, the remuneration paid to a whole time director during the year ended March 31, 2016 and remuneration paid to six directors (Managing/ Joint Managing and Whole time Directors) during the year ended March 31, 2017 and 2018 respectively required approval of the Central Government. The Company also paid managerial remuneration amounting to Rs.37.6 million during the financial year ended March 31, 2019 for which the Company required prior approval of the Central Government. The Company submitted applications to the Central Government for waiver of recovery of excess remuneration paid in respect of aforesaid periods. However, in view of the amendments in the provisions of Section 197 of the Companies Act, 2013 effective from September 12, 2018, whereby the powers of Central Government for approval of payment of managerial remuneration in excess of limits/ waiver of recovery of managerial remuneration recoverable, etc. have been transferred to the shareholders of the Company. Accordingly, the said applications stood abated at the Central Government. The Company has, during the year, obtained necessary approval from its shareholders in the extra ordinary general meeting held on September 10, 2019 in compliance with the aforesaid amended provisions of the Companies Act, 2013. Accordingly, after receipt of such approval, the Company has written off an amount of Rs.153.97 million which was shown as receivable as on March 31, 2019 from such directors towards such excess remuneration paid.

54. For the financial year ended March 31, 2020, the Company has incurred a loss (before tax and exceptional items) of Rs.635.28 million (2019: loss of Rs.2,808.01 million) from continuing operations. Further, the Company has cash outflows from operations amounting to Rs.828.55 million for the year ended March 31, 2020. The continuous operating losses and the current situation caused by the spread of Covid-19 global pandemic (see note 58 below) have adversely affected the cash flows of the Company. These factors and conditions indicate a material uncertainty related to going concern of the Company. The Company has already taken various measures aimed at improving the financial condition of the Company, inter-alia, raising of funds from the Investors, settling the debts of bankers, repaying the vendors overdue, deploying funds received from the Investors for scaling up its vaccine as well as pharmaceutical formulations business in India and international markets including ROW countries, USA / EU, etc., besides expediting development of new products and monetization of non-core assets. Based on these measures and continuous efforts to improve the business performance, the management believes that it would be able to generate sustainable cash flows, recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and has therefore concluded that the going concern assumption continues to be valid.

55. As at March 31, 2020 an amount of Rs.585.16 million (March 31, 2019: Rs.585.16 million) including interest of Rs.45.18 million (March 31, 2019: Rs.45.18 million) was receivable from the Company's wholly owned subsidiary, Rees Investments Limited ("Rees"). Pursuant to the accumulated losses in Rees and its other subsidiaries, the Company, in earlier years, had assessed that the loan repayment capability of Rees has continued to be adversely affected. Rees was compulsory liquidated and dissolved by the authorities of Guernsey as on May 23, 2019. Accordingly, the Company had created 'Provision for bad and doubtful advances' on the aforesaid loan balance, pending approval from the Reserve Bank of India. Further, with a view to make the structure of overseas subsidiaries more efficient and aligned to business objectives and to save management and administrative expenses thereof, the Company has decided to wind up Panacea Biotec (International) SA ("PBS") in due course. Accordingly, the Company has created 'Provision for impairment on its investment in PBS. Owing to accumulated losses in PBS and its wholly-owned subsidiary, Panacea Biotec Germany GmbH (PBGG), the Company has continued to maintain the provision for bad and doubtful advances in respect of the loans receivable from PBS and PBGG also amounting to Rs.82.97 million and Rs.273.84 million, respectively, as on March 31, 2020 (March 31, 2019: Rs.74.69 million and Rs.246.50 million, respectively) including interest of Rs.8.28 million and Rs.27.34 million, respectively as on March 31, 2020 (March 31, 2019: Rs.7.46 million and Rs.24.63 million, respectively).

Notes to the financial statements for the year ended March 31, 2020

56. During the financial year 2007-08, the Company had given an advance of Rs.176.80 million ('the Advance') pursuant to the agreement with Ilyas & Mustafa Galadari Management Investment & Development (L.L.C.), U.A.E. ('the Developer') for purchase of certain immoveable properties in Dubai. The Developer failed to deliver the said properties to the Company and offered other properties under construction in lieu of the said properties. Owing to continuous delays in completion of construction, the Company initiated legal recourse and issued a legal notice to the Developer.

During the financial year 2017-18, with a view to restructure the Company's debt obligations and reduce its interest outlay, the Board of Directors had approved the assignment of the Advance to the Company's Wholly-owned subsidiary, Radhika Heights Limited (RHL) in lieu of adjustment of part of RHL's loan payable by the Company. The Company executed an agreement for assignment of the Advance to RHL on April 06, 2019, which is pending regulatory approval. The Company and RHL have now agreed to reduce RHL's loan by Rs.176.80 million instead of set off against the Advance. Accordingly, the Company has reduced its loan from RHL by Rs.176.80 million during the year under review. However, in case the Company receives any properties or compensation from the Developer, it shall remain liable to reimburse / assign and / or otherwise handover the same to RHL in terms of the said agreement.

In view of ongoing discussions with the Developer and on the basis of the legal advice obtained, the Company believes that it has valid rights to claim the recovery of the advance paid to the Developer, in the form of either a refund or allotment of other properties. The management believes that while the advance given to the Developer is realizable, however considering prudent accounting practices, it has been decided to record a full provision for impairment of the Advance in the books of the Company during the year under review.

57. As at March 31, 2019, a cumulative amount of Rs.401.04 million (March 31, 2018: Rs.331.11 million) was available with the Company as 'MAT Credit Entitlement' which, based on the then future profitability projections, could have been recovered and set off in subsequent years as per the provisions of Section 115JAA of the Income-tax Act, 1961. During the year, the Company has utilised MAT Credit to the extent of Rs.386.59 million. Based on revised estimates of future profitability projections and other factors, the management, expects that balance MAT Credit of Rs.14.45 million can be utilised by March 31, 2034. Accordingly, during the year, the Company has reversed the provision already created against the MAT balance of Rs.209.00 million and no further provisions are considered necessary.

58. In view of the Covid-19 pandemic, there have been several restrictions imposed by governments across the globe on the travel, goods movement and transportation considering public health and safety measures, which has adversely impacted the Company's operations since late March 2020. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The management has exercised due care in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the Company's standalone financial statements as of and for the year ended March 31, 2020. Given the uncertainties due to Covid-19, the final impact on the Company's assets and liabilities in future may differ from that estimated as at the date of approval of these standalone financial statements.

59. 0.00 under "Rs. in million" represents amount less than Rs.50,000 and 0.00 under units represents units less than 50,000. Further, the figures shown in the tables may not exactly add up due to rounding off. Previous year figures have been regrouped, reclassified wherever considered necessary.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anupam Kumar
Partner
Membership No. 501531

Place : New Delhi
Date : June 29, 2020

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A : Subsidiaries
Financial Details of Subsidiary Companies

(Rs. in million)

S. No.	Name of the Company	Reporting period of the subsidiary, if different from parent	Reporting currency	Exchange rate as on Balance Sheet date	As on March 31, 2020					For the year/period ended March 31, 2020					% of Share Holding as on March 31, 2020
					Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment (except in case of investment in subsidiary)	Turnover (including other income)	Profit/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	
1	2	3	4		5	6	7	8	9	10	11	12	13	14	15
1	Radhika Heights Ltd.	31.03.2020	INR	1.00	4.8	2,454.8	2,598.5	138.9	74.8	1.2	(173.8)	3.6	(177.4)	-	100%
2	Cabana Construction Pvt. Ltd. *	31.03.2020	INR	1.00	0.1	(2.4)	321.2	323.5	-	-	(0.1)	0	(0.1)	-	100%
3	Cabana Structures Ltd. *	31.03.2020	INR	1.00	0.5	(0.6)	1.5	1.6	-	-	(0.1)	0	(0.1)	-	100%
4	Nirmala Buildwell Pvt. Ltd.*	31.03.2020	IINR	1.00	0.1	(4.2)	300.4	304.5	-	-	(0.1)	(0)	(0.1)	-	100%
5	Nirmala Organic Farms & Resorts Pvt. Ltd.*	31.03.2020	INR	1.00	0.1	6.2	98.0	91.7	-	-	(0.5)	(0)	(0.5)	-	100%
6	Radicura Infra Ltd. *	31.03.2020	INR	1.00	2.0	29.0	496.7	465.7	-	-	(2.4)	(0.6)	(1.8)	-	100%
7	Sunanda Infra Ltd. *	31.03.2020	INR	1.00	0.5	(2.2)	224.2	225.9	-	-	(0.5)	0.0	(0.5)	-	100%
8	PanEra Biotec Private Ltd.#	31.03.2020	INR	1.00	8.4	(69.1)	44.0	104.7	25.7	0.3	(0.5)	-	(0.5)	-	50%
9	Adveta Power Private Ltd.**#	31.03.2020	INR	1.00	1.8	(1.1)	29.3	28.6	-	-	(0.1)	-	(0.1)	-	50%
10	Panacea Biotec Pharma Ltd.$	31.03.2020	INR	1.00	1.0	(6,047.8)	3,565.1	9,611.9	-	463.0	(203.7)	(6.3)	(197.4)	-	100%
11	Ravinder Heights Ltd.$$	31.03.2020	INR	1.00	0.1	(0.1)	0.1	0.1	-	-	(0.1)	-	(0.1)	-	100%
12	Meyten Realtech Pvt. Ltd.$$$	31.03.2020	INR	1.00	0.1	0.1	0.2	0.1	-	-	0.1	-	0.1	-	100%
13	Panacea Biotec (International) SA	31.03.2020	CHF	78.37	47.0	(176.8)	1.2	131.0	-	-	(13.4)	(0.0)	(13.4)	-	100%
14	Rees Investments Ltd.##	31.03.2020	US $	69.15	0.0	(793.7)	-	793.7	-	-	-	-	-	-	100%
15	Panacea Biotec Germany GmbH***	31.03.2020	Euro	83.09	20.4	(290.4)	308.1	578.1	-	242.5	(24.5)	0.0	(24.5)	-	100%

* Indirect subsidiary through Radhika Heights Ltd.
** Indirect subsidiary through PanEra Biotec Pvt. Ltd.
*** Indirect subsidiary through Panacea Biotec (International) SA.
$$ Incorporated on April 15, 2019.
Considered as a subsidiary for the purpose of consolidation as per Ind AS 110
Liquidated on May 23, 2019.
$ Incorporated on March 22, 2019.
$$$ Incorporated on April 12, 2019.

Part B: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in million)

	Name of Associates/Joint Ventures	Joint Venture Chiron Panacea Vaccines Pvt. Ltd. (Under Liquidation)
1.	Latest audited Balance Sheet Date	31.03.2020
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	Number	2,295,910
	Amount of Investment in Associates/Joint Venture (Rs. million)	22.96
	Extent of Holding %	50%
3.	Description of how there is significant influence	Note-A
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	55.73
6.	Profit/Loss before tax for the year	
	i. Considered in Consolidation	3.30
	ii. Not Considered in Consolidation	3.30

Note : There is significant influence as the Company holds more than 20% of total share capital.

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 29, 2020

Panacea Biotec
Innovation in support of life

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of Panacea Biotec Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Panacea Biotec Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture, as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and joint venture, as at 31 March 2020, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16, Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. We draw attention to Note 59 and Note 63 to the accompanying consolidated financial statements, which indicate that the Group has incurred a net loss (before exceptional items) of Rs.1,619.47 million during the year ended 31 March 2020, and as of that date, the Group's current liabilities exceeded its current assets by Rs.572.75 million and has net cash outflow from operations of Rs.304.70 million during the year ended 31 March 2020. Further, aforesaid notes also describe the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of the impact on the financial statements of the Group as at the balance sheet date. These factors and conditions along with other matters as set forth in Note 59 and Note 63 indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, based on the future projections which is dependent on certain assumptions and estimates, restructuring of the dues payable towards the non-convertible debentures of the subsidiary company, Panacea Biotec Pharma Limited, the management considers the use of going concern appropriate. Our opinion is not modified in respect of this matter.

   Material Uncertainty related to going concern has also been reported in the financial statements of subsidiary company, Panacea Biotec Pharma Limited by us and joint auditors vide audit report dated 29 June 2020.

   The above assessment of the Company's ability to continue as going concern is by its nature considered as a key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

   - Obtained an understanding of the management's process for identifying all the events or conditions that could impact the Group's ability to continue as a going concern and the process followed to assess the mitigating factors for such events or conditions. Also, obtained an understanding around the methodology adopted by the Group to assess their future business performance and prepare a robust cash flow forecast;
   - Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors and controls around cash flow forecast prepared by the management;
   - Obtained the cash flow forecast for the next twelve months from the management basis their future business plan and considering the impact of COVID-19;
   - Reconciled the cash flow forecast to the future business plan of the Group as approved by the Board of Directors;
   - In order to corroborate management's future business plans and to identify potential contradictory information, we read the minutes of the Board of Directors and conducted discussions with the management and Audit Committee of the Holding Company;
   - Obtained and read the agreement entered into between the Holding Company, subsidiary company and the holders of -non-convertible debentures to understand the payment milestones and related communication made for its restructuring;

- Tested the appropriateness of key assumptions adopted by the management in preparation of the cash flow forecasts such as growth rates, planned monetization of non-core assets and their fair values, expenditure on new products and tested the reasonableness of these assumptions used based on our knowledge and understanding of the business, actual historical results and external data as the case may be;
- Obtained the sensitivity analysis prepared by management and also performed independent sensitivity analysis to test the impact of variation on the cash flows due to change in key assumptions;
- Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods; and
- Evaluated the appropriateness and adequacy of the disclosures made by the Group with respect to the aforesaid events and conditions in accordance with Ind AS 1, Presentation of Financial Statements, in the consolidated financial statements of the Group.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	**How the matter was addressed in the audit**
Discontinued operations Refer note 1 and note 41(ii) to the accompanying consolidated financial statements for the accounting policy and related disclosures respectively. During the previous year ended 31 March 2019; the management of the Group had identified a business segment as 'discontinued operation' and thereby classified the related assets and liabilities as held for sale. Demerger of real estate segment As further explained in note 41(ii), the Group had decided to demerge its real estate undertaking, comprising certain immoveable properties of the Holding Company and its investment in a wholly owned subsidiary which was intended to deal in real estate. The Board of Directors of the Holding Company had approved the demerger proposal and the demerger scheme at their board meetings held on 26 February 2019 and 30 May 2019 respectively. Pursuant to the above restructuring by the Group, the management has assessed the real estate segment as disposal group and presented as "discontinued operations" in the consolidated financial statements of the Group in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'. Accordingly, net loss from the real estate segment amounting to Rs.64.36 million for the year ended 31 March 2020 has been presented as profit/ (loss) from discontinued operations in the consolidated Statement of Profit and Loss and the related assets / (liabilities) of the real estate business are classified as 'assets / (liabilities) classified as held for sale' in the Consolidated Balance Sheet as at 31 March 2020. We identified this as a key audit matter for current year audit in view of the significance of the impact of these restructuring transactions have on the consolidated financial statements including the amounts involved and exercise of management judgments with respect to identification and segregation of assets and liabilities and allocation of corporate costs pertaining to the real estate segment.	Our audit procedures included, but were not limited to, the following in relation to the discontinued operations: a) Obtained an understanding of the management process for ensuring classification, measurement, disclosure and allocations for the identified disposal group; b) Reviewed the assessment performed by the management for accounting and presentation of these transactions in accordance with applicable accounting standards; c) Tested the arithmetical accuracy of computations used by management to determine the amounts being transferred; d) Assessed management's conclusions regarding the allocations of the asset, liabilities, income and expenses that are assigned to the discontinued operations for the real estate segment; e) Assessed the appropriateness of the carrying values of assets and liabilities classified as held for sale in accordance with the requirements of Ind AS 105; f) Read the approvals received by the Holding Company from shareholders and creditors during the year ended 31 March 2020 and understood the status of the demerger scheme with the legal team of the Holding Company; g) Assessed reasonableness of management's judgement with respect to the likelihood and expected timing of the implementation of the restructuring; and h) Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements of the Holding Company in accordance with the applicable accounting standards.

Independent Auditors' Report on the Consolidated Financial Statements

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group and the joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or its joint venture or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated 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 Group has adequate internal financial controls with reference to the consolidated financial statements 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 ability of the Group and its joint venture 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 Group and its joint venture to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.
14. 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.
15. 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.

Other Matter

16. We did not audit the financial statements of 14 subsidiaries, whose financial statements reflects total assets of ₹3,233.8 million and net assets of ₹1,226.1 million as at 31 March 2020, total revenues of ₹234.5 million and net cash inflows amounting to ₹134.7 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹2.5 million for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, Other Matter, on separate financial statements of the subsidiaries and joint venture, we report that the Holding Company and its subsidiaries covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matter described in paragraph 4, Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Holding Company and Panacea Biotec Pharma Limited, a subsidiary of the Holding Company;

f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture company covered under the Act, none of the directors of the Group companies and its joint venture company covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure B; and

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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture as detailed in Note 40 to the consolidated financial statements;

   ii. the Group and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint venture company covered under the Act, during the year ended 31 March 2020; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN No.: 20501531AAAACW6500

Place : New Delhi
Date : June 29, 2020

Annexure-A

List of Subsidiaries and Joint Venture included in the Consolidated Financial Statements of Panacea Biotec Limited for the year ended 31 March 2020

Name of the Entity	Nature of Relationship
Panacea Biotec Limited	Holding Company
Panacea Biotec Pharma Limited	Subsidiary Company
Radhika Heights Limited	Subsidiary Company
Rees Investments Limited	Subsidiary Company (liquidated on 23 May 2019)
Panacea Biotec (International) S.A.	Subsidiary Company
PanEra Biotec Private Limited	Subsidiary Company
Ravinder Heights Limited	Subsidiary Company
Meyten Realtech Private Limited	Subsidiary Company
Adveta Power Private Limited	Step down Subsidiary
Cabana Construction Private Limited	Step down Subsidiary
Cabana Structures Private Limited	Step down Subsidiary
Nirmala Buildwell Private Limited	Step down Subsidiary
Nirmala Orqanic Farms and Resorts Private Limited	Step down Subsidiary
Radicura Infra Limited	Step down Subsidiary
Sunanda Infra Limited	Step down Subsidiary
Panacea Biotec Germany GmbH	Step down Subsidiary
Chiron Panacea Vaccines Private Limited (Under Liquidation)	Joint venture

Annexure B

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Panacea Biotec Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and joint venture company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, are 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 the Company's business, including adherence to the 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9, Other Matter, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and joint venture company, the Holding Company, its subsidiary companies, and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 4 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹6,510.3 million and net liabilities of ₹5.7 million as at 31 March 2020, total revenues of Nil and net cash inflows amounting to Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹2.5 million for the year ended 31 March 2020, in respect of 1 joint venture company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531
UDIN No.: 20501531AAAACW6500

Place: New Delhi
Date: June 29, 2020

Consolidated Balance Sheet as at March 31, 2020

(Rs. in million)

	Note No.	**As at March 31, 2020**	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	6,555.24	8,031.08
b) Capital work-in-progress	2.2	95.06	83.92
c) Other intangible assets	2.3	18.62	24.55
d) Intangible assets under development	2.4	145.01	141.15
e) Investments accounted for using the equity method	56	55.11	52.59
f) Financial assets			
i) Investments	3	0.70	0.70
ii) Loans	4	12.05	11.66
iii) Other financial assets	5	5.96	11.19
g) Deferred tax assets (net)	6	19.47	197.90
h) Income tax assets (net)	7	28.52	19.66
i) Other non-current assets	8	134.55	101.94
Total non-current assets		7,070.29	8,676.34
Current assets			
a) Inventories	9	1,476.91	814.27
b) Financial assets			
i) Trade receivables	10	685.19	887.30
ii) Cash and cash equivalents	11	402.18	144.66
iii) Other bank balances	12	495.33	90.14
iv) Loans	13	43.55	181.31
v) Other financial assets	14	62.66	35.70
c) Other current assets	15	429.15	261.08
Total current assets		3,594.97	2,414.46
Assets classified as held for sale and discontinued operations	41	3,237.74	2,664.40
Total assets		13,903.00	13,755.20
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	61.25	61.25
b) Other equity	17	1,926.62	3,442.72
Equity attributable to owners of Holding Company		1,987.87	3,503.97
Non-controlling interest		(30.38)	(30.09)
Total equity		1,957.49	3,473.88
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	18	6,131.28	461.22
ii) Other financial liabilities	19	830.87	-
b) Provisions	20	427.40	397.80
d) Other non-current liabilities	21	3.88	39.69
Total non-current liabilities		7,393.43	898.71
Current liabilities			
a) Financial liabilities			
i) Borrowings	22	35.68	693.85
ii) Trade payables	23		
- Outstanding dues of micro, small and medium enterprises		31.24	18.80
- Outstanding dues of creditors other than above		1,957.28	2,678.30
iii) Other financial liabilities	24	1,800.95	5,395.89
b) Other current liabilities	25	268.47	151.39
c) Provisions	26	69.55	64.43
d) Current tax liabilities (net)	27	4.55	74.75
Total current liabilities		4,167.72	9,077.41
Liabilities directly associated with discontinued operations	41	384.36	305.20
Total equity and liabilities		13,903.00	13,755.20
Summary of significant accounting policies	1		

The accompanying notes 1 to 65 are an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of Board of Directors of Panacea Biotec Limited

Anupam Kumar
Partner
Membership No. 501531

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 29, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(Rs. in million)

	Note No.	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Income			
Revenue from operations	28	5,440.62	4,566.96
Other income	29	296.87	44.83
Total income		5,737.49	4,611.79
Expenses			
Cost of materials consumed	30	1,792.99	1,258.67
Purchases of stock-in-trade	31	107.13	91.93
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(332.17)	371.83
Employee benefits expense	33	1,423.21	1,470.80
Finance costs	34	1,739.80	1,048.29
Depreciation and amortisation expense	35	432.19	540.02
Other expenses	36	2,135.87	2,685.67
Total expenses		7,299.02	7,467.21
Profit/(loss) before share of profit of joint venture, exceptional items and tax from continuing operations		(1,561.53)	(2,855.42)
Share of profit of joint venture accounted for using the equity method		3.30	1.49
Profit/(loss) before exceptional items and tax from continuing operations		(1,558.23)	(2,853.93)
Exceptional items	37	(153.97)	3,340.08
Profit/(loss) before tax from continuing operations		(1,712.20)	486.15
Tax expense	38		
Current tax		399.64	75.47
Deferred tax		(233.24)	1.60
Total tax expense		166.40	77.07
Profit/(loss) for the year from continuing operations		(1,878.60)	409.08
Discontinued Operations			
Profit/(loss) before tax from discontinued operations	41	(61.24)	(23.90)
Tax expense of discontinued operations		3.12	8.51
Profit/(loss) after tax from discontinued operations		(64.36)	(32.41)
Profit/(loss) for the year		(1,942.96)	376.67
Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit plans		36.80	(10.01)
Income tax relating to items that will not be reclassified to profit or loss		(12.86)	3.50
B. Items that will be reclassified to profit or loss:			
Foreign currency translation reserve		3.60	1.90
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income (net of tax)		27.54	(4.61)
Total comprehensive income for the year		(1,915.42)	372.06
Profit / (loss) for the year attributable to :			
Owners of Parent		(1,942.67)	377.27
Non-controlling interest	56	(0.29)	(0.60)
Other comprehensive income for the year attributable to :			
Owners of Parent		27.54	(4.61)
Non-controlling interest	56	-	-
Total comprehensive income for the year attributable to :			
Owners of Parent		(1,915.13)	372.66
Non-controlling interest	56	(0.29)	(0.60)
Earnings per equity share for continuing operations (face value of Re. 1 each)	39		
- Basic and diluted earning per equity share (in Rs.)		(30.67)	6.68
Earnings per equity share for discontinued operations (face value of Re. 1 each)			
- Basic and diluted earning per equity share (in Rs.)		(1.05)	(0.53)
Earnings per equity share (for continuing and discontinued operations) (face value of Re. 1 each)			
- Basic and diluted earning per equity share (in Rs.)		(31.72)	6.15
Summary of significant accounting policies	1		

The accompanying notes 1 to 65 are an integral part of the consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anupam Kumar
Partner
Membership No. 501531

Place : New Delhi
Date : June 29, 2020

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Consolidated Cash Flow Statement Annexed to the Consolidated Balance Sheet for the year ended March 31, 2020 (Indirect Method)

(Rs. in million)

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities			
Profit/(loss) before tax from continuing operations		(1,712.20)	486.15
Profit/(loss) before tax from discontinued operations		(61.24)	(23.90)
Adjustment for:			
Depreciation and amortisation expense		441.35	550.32
Finance costs		1,739.80	1,048.30
Allowance for expected credit loss and doubtful advances		184.74	119.09
Investments accounted for using the equity method		(3.32)	(0.82)
Interest income		(52.63)	(10.91)
Property, plant and equipments written off		-	318.57
Loss/(gain) on sale of property, plant and equipment (net)		290.16	5.19
Excess provisions written back		(228.24)	(2.92)
Unrealized foreign exchange loss (net)		5.37	168.70
Dividend income		(0.04)	(1.67)
Gain on sale of investment		(0.72)	-
Excess managerial remuneration receivable written off		153.97	-
Intangibles assets under development provided/written off		-	233.86
Adjustment on settlement of debts (refer note 60)		-	(3,133.49)
Operating profit before working capital changes		757.00	(243.53)
Changes in working capital:			
Inventories		(662.64)	847.63
Trade receivables		201.14	347.35
Other financial assets		159.32	(170.28)
Loans		(20.35)	163.24
Other current assets		(406.69)	(78.29)
Trade payables		(496.89)	75.06
Other financial liabilities		(51.39)	4.93
Other current liabilities		229.38	(47.19)
Provisions		73.16	130.76
Cash flow (used in)/generated from operating activities post working capital changes		(217.96)	1,029.68
Income tax (paid)/refund (net)		(86.74)	18.28
Net cash flow (used in)/generated from operating activities (A)		(304.70)	1,047.96
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work in progress, intangibles under development, capital advances and creditors for capital goods)		(69.11)	(47.83)
Proceeds from sale of property, plant and equipment		161.05	-
Proceeds from sale of investments		0.72	20.29
Purchase of investment		(67.84)	(6.97)
Loans given		(40.00)	-
Interest received		52.63	10.91
Dividend received		0.04	1.67
Investments in bank deposits having original maturity of more than three months		(385.09)	(30.77)
Net cash (used in)/generated from investing activities (B)		(347.60)	(52.70)
C. Cash flow from financing activities			
Proceeds from share warrants		320.00	-
Changes in minority interest		(0.29)	-
Proceeds from non-current borrowings		7,430.00	-
Repayment of non-current borrowings		(5,733.90)	(155.37)
Repayment of current borrowings		(658.17)	(192.13)
Interest paid		(450.25)	(663.90)
Net cash (used in)/generated from financing activities (C)		907.39	(1,011.40)
Increase /(Decrease) in net cash and cash equivalents (A+B+C)		255.09	(16.14)
Cash and cash equivalents at the beginning of the year		144.66	164.37
Changes in cash and cash equivalents pertaining to discontinued operations		2.43	(3.57)
Cash and cash equivalents at the end of the year (refer note 11)		402.18	144.66
Summary of significant accounting policies	1		

The accompanying notes 1 to 65 are an integral part of the consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of Board of Directors of Panacea Biotec Limited

Anupam Kumar
Partner
Membership No. 501531

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 29, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital

	(Rs. in million)
Opening Balance as at April 01, 2018	61.25
Changes during the year	-
Closing balance as at March 31, 2019	61.25
Change during the year	-
Closing balance as at March 31, 2020	61.25

B. Other equity
(Also refer note 17)

(Rs. in million)

	Equity component of compound financial instruments	Share Warrants	Attributable to owners of Panacea Biotec Limited – Reserves and surplus					Other comprehensive income	Total other equity	Non-controlling interests
			Retained earnings	General reserve	Securities premium	Capital redemption reserve	Foreign currency monetary item translation difference	Foreign currency translation		
Balance as at April 1, 2018	96.39	-	513.39	474.99	919.40	1,022.34	(44.56)	43.55	3,025.50	(29.49)
Profit/(Loss) for the year	-	-	377.27	-	-	-	-	-	377.27	(0.60)
Other comprehensive income for the year (net of tax)	-	-	(6.51)	-	-	-	-	1.90	(4.61)	-
Total comprehensive income for the year	-	-	370.76	-	-	-	-	1.90	372.66	(0.60)
Changes during the period	-	-	-	-	-	-	44.56	-	44.56	-
Balance as at March 31, 2019	96.39	-	884.15	474.99	919.40	1,022.34	-	45.45	3,442.72	(30.09)
Balance as at April 1, 2019	96.39	-	884.15	474.99	919.40	1,022.34	-	45.45	3,442.72	(30.09)
Profit/(Loss) for the year	-	-	(1,942.67)	-	-	-	-	-	(1,942.67)	(0.29)
Other comprehensive income for the year (net of tax)	-	-	23.94	-	-	-	-	3.60	27.54	-
Total comprehensive income for the year	-	-	(1,918.73)	-	-	-	-	3.60	(1,915.13)	(0.29)
Issued during the year	-	320.00	-	-	-	-	-	-	320.00	-
Adjustment on account of change in terms of preference shares	121.54	-	(42.51)	-	-	-	-	-	79.03	-
Balance as at March 31, 2020	217.93	320.00	(1,077.09)	474.99	919.40	1,022.34	-	49.05	1,926.62	(30.38)

Summary of significant accounting policies (Refer note 1)

The accompanying notes 1 to 65 are an integral part of the consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anupam Kumar
Partner
Membership No. 501531

Place : New Delhi
Date : June 29, 2020

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Summary of significant accounting policies for the year ended March 31, 2020

1. Corporate information

Panacea Biotec Limited (Corporate identification number: L33117PB1984PLC022350) ("the Holding Company") is a public company incorporated and domiciled in India. The Holding Company's shares are listed with BSE Limited and National Stock Exchange of India Limited. The Holding Company is one of India's leading research based biotechnology companies engaged in the business of research, development, manufacture and marketing of vaccines in India & international markets and export of branded pharmaceutical formulations in international markets. During the year, the Holding Company was also engaged in research, development, manufacture and marketing of pharmaceutical formulations and the said business has been transferred to its wholly-owned subsidiary, Panacea Biotec Pharma Ltd. effective from February 01, 2020.

The Holding Company has its registered office and place of business at Ambala-Chandigarh Highway Lalru-140501, Punjab, India.

The Holding Company, its subsidiaries and its joint venture (jointly referred to as "the Group" herein under) considered in these consolidated financial statements.

1.1 Basis of preparation

The consolidated financial statements ('Consolidated Financial Statements') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ("2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended from time to time.

The Consolidated Financial Statements of the Group were approved by the Board of Directors on June 29, 2020. Revision to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities, as per the provision of the Act.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

New and amended standards adopted by the Group:

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces the existing standard on leases i.e. Ind AS 17, Leases effective for accounting periods beginning on or after 1 April 2019.

The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained.

The Group has applied Ind AS 116 'Leases' for the first time for their annual reporting period commencing April 1, 2019. This standard does not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are the entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profit/ (loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of March 31, 2020. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the parent company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement. Joint ventures – Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The Consolidated Statement of Profit and Loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

1.3 Use of estimates and judgements

The preparation of the Consolidated Financial Statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated Financial Statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Significant accounting policies

The significant accounting policies that are used in the preparation of the Consolidated Financial Statements are summarised below. These accounting policies are consistently used throughout the periods presented in the Consolidated Financial Statements.

a) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Inventory

Inventories are valued as follows:

Raw materials, components, stores and spares: Raw materials (including packing materials), components, stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods: Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Traded goods: Traded goods are valued at lower of cost or net realisable value. Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c) Property, plant and equipment

Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

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

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Act. The following useful life of assets has been determined by the Group:

Particulars	Useful life
Building – factory	30 years
Building – Non-factory	60 years
Plant and Equipment	15 years and 20 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer equipment	3 years and 6 years

i) Leasehold land is amortised over the period of lease

ii) Leasehold improvements are amortised over the initial period of lease or useful life, whichever is shorter.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Recognition and initial measurement

Research and development costs

Expenditure on the research phase of projects is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Group can demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Other intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Patents, trademarks and designs	7 years
Product development	5 Years
Technical know-how	5 years
Software	5 years
Websites	2 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Assets classified as held-for-sale

Assets are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised. Assets classified as held-for-sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the balance sheet.

f) Impairment of non-financial assets

The carrying amounts of the Group'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 estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

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'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the

Summary of significant accounting policies for the year ended March 31, 2020

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. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised 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. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised 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 amortisation, if no impairment loss had been recognised.

g) Borrowing 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Foreign and presentation currency

The Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the functional and presentation currency of the Holding Company.

Foreign currencies

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded in functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

All other exchange differences are charged to the statement of profit and loss.

Translation of a foreign operation

Functional and reporting currencies of foreign operations are different from the reporting currency of the Holding Company. For all the foreign operations of the Group, all assets and liabilities (excluding share capital and opening reserves and surplus) are translated into INR using the exchange rate prevailing at the reporting date. Share capital, opening reserves and surplus are translated into INR using the historical rates. Revenues, costs and expenses are translated using the average exchange rate during the reporting period. The resultant currency translation difference is recognized as foreign currency translation reserve under the head 'other equity'.

i) Leases

Applicable upto March 31, 2019

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Applicable with effect from April 1, 2019

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Gruop's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

Summary of significant accounting policies for the year ended March 31, 2020

k) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Group applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

Sale of goods :

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Group, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Dividend income: Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income: Interest income is recorded on accrual basis using the effective interest rate ("EIR") method.

Royalty income: Royalty is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the terms of the relevant agreement.

Research and license fees income: Research and license fees income is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the term of the relevant agreement.

Export incentives: Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

l) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

- Investments in equity instruments other than above –Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

- Investments in mutual funds – Investments in mutual funds in scope of Ind-AS 109 are measured at fair value through profit or loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 50 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

m) Post-employment and other employee benefits

Provident fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided Fund. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group net obligation in respect of the gratuity plan (administered through Life Insurance Corporation of India), which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences: Compensated absences, which are expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits: Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and presented as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

p) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all the conditions.

Government grants related to the income are deferred and recognised in statement of profit and loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property plant and equipment are included in the non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected life of the related assets and presented within other income.

Summary of significant accounting policies for the year ended March 31, 2020

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments: In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the other components. Results of the operating segments are reviewed regularly by the Board of Directors (Managing Director and Chief Financial Officer) of the Holding Company which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs: Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial results of the Group as a whole. In accordance with Ind AS 108, Operating Segments, the management has disclosed the segment information in the audited consolidated financial statements.

Cash and cash equivalents: Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Any amount that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset up to the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised.

1.5 Significant management judgments in applying accounting policies and estimation uncertainty

The preparation of the Group financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgments

Research and developments costs - Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Provisions, contingent liabilities and contingent assets – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. In view of the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the Defined Benefit Obligations (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

1.6 Recent accounting pronouncements (Standard issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2.1 Property, plant and equipment

(Rs. in million)

Description	Freehold land	Right of use asset-Land	Building	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
Gross carrying value									
As at April 1, 2018	2,441.51	593.00	4,367.39	6,895.96	344.57	114.91	224.36	198.00	15,179.70
Additions	-	-	-	0.62	0.09	-	0.65	1.12	2.48
Disposals	-	-	-	1,276.57	63.40	6.21	56.40	44.42	1,447.00
Transfer to discontinued operations (refer note 41)	198.30	-	382.62	5.17	16.45	22.05	19.88	0.74	645.21
As at March 31, 2019	2,243.21	593.00	3,984.77	5,614.84	264.81	86.65	148.73	153.96	13,089.97
Additions	41.60	-	-	6.62	-	4.88	0.90	0.30	54.30
Disposals	284.70	-	275.24	5.61	-	9.14	-	-	574.69
Transfer to discontinued operations (refer note 41)	-	436.58	225.50	-	-	-	0.12	0.03	662.23
As at March 31, 2020	2,000.11	156.42	3,484.03	5,615.85	264.81	82.39	149.51	154.23	11,907.35
Accumulated depreciation									
As at April 1, 2018	-	31.69	873.01	4,044.79	306.61	99.48	211.25	184.12	5,750.95
Charge for the year*	-	4.04	113.28	400.85	8.47	3.81	1.04	3.08	534.57
Disposals	-	-	-	958.76	59.84	5.84	53.55	42.17	1,120.16
Transfer to discontinued operations (refer note 41)	-	-	49.67	3.46	15.22	19.03	18.42	0.67	106.47
As at March 31, 2019	-	35.73	936.62	3,483.42	240.02	78.42	140.32	144.36	5,058.89
As at April 1, 2019	-	35.73	936.62	3,483.42	240.02	78.42	140.32	144.36	5,058.89
Charge for the year*	-	2.44	95.92	325.57	6.38	2.28	1.67	1.27	435.53
Disposals	-	-	55.14	5.03	-	6.28	-	-	66.45
Transfer to discontinued operations (refer note 41)	-	13.38	62.34	0.03	-	-	0.11	-	75.86
As at March 31, 2020	-	24.79	915.06	3,803.93	246.40	74.42	141.88	145.63	5,352.11
Net block as at March 31, 2020	2,000.11	131.63	2,568.97	1,811.92	18.41	7.97	7.63	8.60	6,555.24
Net block as at March 31, 2019	2,243.21	557.27	3,048.15	2,131.42	24.79	8.23	8.41	9.60	8,031.08

* includes depreciation related to discontinued operations (refer note 41)

Notes :

a) Refer note 45 for information on assets pledged and mortgaged as security by the Group.

b) Refer note 40(B) for information on contractual commitments related to property, plant and equipment.

2.2 Capital work-in-progress

(Rs. in million)

Description	Amount
As at April 1, 2018	75.00
Add: addition during the year	11.20
Less: capitalisation during the year	(2.48)
As at March 31, 2019	83.92
Add: addition during the year	13.17
Less: capitalisation during the year	(2.03)
As at March 31, 2020	95.06

Notes:

1. The capital work-in-progress relates to construction and installation of property, plant and equipment.
2. Refer note 45 for information on assets pledged and mortgaged as security by the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

2.3 Other Intangible assets

(Rs. in million)

Description	Patent, trademark and copyrights	Softwares	Websites	Product development	Total
As at April 1, 2018	97.17	239.11	9.34	524.13	869.75
Additions	-	-	-	-	-
Disposals	6.60	11.25	-	12.21	30.06
Exchange fluctuation difference	(0.39)	-	-	-	(0.39)
Transfer to discontinued operations (refer note 41)	-	0.24	-	-	0.24
As at March 31, 2019	90.18	227.62	9.34	511.92	839.06
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange fluctuation difference	-	-	-	-	-
Transfer to discontinued operations (refer note 41)	-	0.04	-	-	0.04
As at March 31, 2020	90.18	227.58	9.34	511.92	839.02
Accumulated amortisation					
As at April 1, 2018	84.54	227.31	9.34	496.56	817.75
Charge for the year*	1.59	7.10	-	7.07	15.76
Disposals	3.78	9.51	-	5.49	18.78
Transfer to discontinued operations (refer note 41)	-	0.22	-	-	0.22
As at March 31, 2019	82.35	224.68	9.34	498.14	814.51
Charge for the year*	0.08	1.22	-	4.63	5.93
Disposals	-	-	-	-	-
Transfer to discontinued operations (refer note 41)	-	0.04	-	-	0.04
As at March 31, 2020	82.43	225.86	9.34	502.77	820.40
Net block as at March 31, 2020	7.75	1.72	-	9.15	18.62
Net block as at March 31, 2019	7.83	2.94	-	13.78	24.55

* includes depreciation related to discontinued operations (refer note 41)

Note: Intangible assets pledged as security: Refer note 45 for information on assets pledged and mortgaged as security by the Group.

2.4 Intangible assets under development

(Rs. in million)

Description	Amount
As at April 1, 2018	324.05
Add: addition during the year	39.23
Less: disposal	(222.13)
As at March 31, 2019	141.15
Add: addition during the year	3.86
Less: disposal	-
As at March 31, 2020	145.01

Notes:

1. The intangible assets under development relates to product registration, patent, technical know-how and software.
2. Refer note 45 for information on assets pledged and mortgaged as security by the Group.

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
3	**Investments (non-current)**		
	Carried at cost		
	Investments in equity instruments		
A.	Carried at fair value through profit and loss (Refer note 52)		
	Investment in equity instruments of other entities (unquoted):		
a)	20,250 (March 31, 2019: 20,250) equity shares of Rs. 10 each fully paid up in Shivalik Solid Waste Management Limited	0.20	0.20
b)	50,000 (March 31, 2019: 50,000) equity shares of Rs. 10 each fully paid up in Mohali Green Environment Private Limited	0.50	0.50
	Total	0.70	0.70
	Aggregate amount of unquoted investments	0.70	0.70
	Aggregate amount of impairment in value of investments	-	-

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
4	**Loans (non-current)**		
	Unsecured, considered good		
	Security deposits	12.05	11.66
	Total	12.05	11.66
	Note: Refer note 52 and 53 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
5	**Other financial assets (non-current)**		
	Bank deposits with maturity of more than 12 months	5.96	11.19
	Total	5.96	11.19
	Notes:		
	(i) Fixed deposits amounting to Rs.5.96 million (March 31, 2019: Rs.11.19 million) are pledged/deposited with banks and various government authorities for tender, bank guarantee, margin money etc.		
	(ii) Refer note 52 and 53 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
6	**Deferred tax assets (net)**		
	Deferred tax liabilities arising on account of:		
	Property, plant and equipment and intangible assets	1,336.73	1,465.88
	Capital expenditure on research and development	0.10	8.44
		1,336.83	1,474.32
	Deferred tax assets arising on account of:		
	Expenditure allowed on payment basis	59.39	407.06
	Unabsorbed business losses and depreciation	1,249.74	1,051.76
	Minimum alternative tax credit entitlement	19.47	192.04
	Others	27.70	21.36
		1,356.30	1,672.22
	Total	19.47	197.90
	Note: Refer note 38 for changes in deferred tax balances.		
	Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise. Accordingly, the net deferred tax (assets) / liability has been disclosed in the consolidated balance sheet as follows:		
	Deferred tax assets	19.47	197.90
	Deferred tax liabilities	-	-
	Deferred tax assets (net)	19.47	197.90
7	**Income tax assets (net)**		
	Advance income tax (net of provision for taxes)	28.52	19.66
	Total	28.52	19.66
8	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital advances		
	- Considered good	10.53	3.96
	- Considered doubtful	176.80	-
	Balances with statutory authorities	124.02	97.98
		311.35	101.94
	Less: Allowance for doubtful advances	(176.80)	-
	Total	134.55	101.94
	Note: Refer note 45 for information on assets pledged and mortgaged as security by the Group.		

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
9	**Inventories**		
	(lower of cost or net realisable value)		
	Raw materials (including packing materials)	659.06	395.55
	Finished goods	483.22	246.57
	Traded goods	37.26	39.77
	Work-in-progress	209.36	111.33
	Stores and spares	88.01	21.05
	Total	1,476.91	814.27
	Note: Refer note 45 for information on assets pledged and mortgaged as security by the Group.		
10	**Trade receivables**		
	Unsecured, considered good	706.85	943.71
	Unsecured, considered doubtful/ credit impaired	5.69	75.95
		712.54	1,019.66
	Less: allowance for doubtful debts/ expected credit loss	(27.35)	(132.36)
	Total	685.19	887.30
	Notes: i) Refer note 52 and 53 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses. ii) Refer note 45 for information on assets pledged and mortgaged as security by the Group.		
11	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	400.57	143.72
	- in exchange earners' foreign currency accounts	0.80	0.28
	Cash on hand	0.81	0.66
	Total	402.18	144.66
12	**Other bank balances**		
	Deposits with original maturity for more than 3 months but less than 12 months (refer note below)	495.33	90.14
	Total	495.33	90.14
	Note: Fixed deposits amounting to Rs.376.35 million (March 31, 2019: Rs.90.14 million) are pledged/deposited with banks and various government authorities for tender, bank guarantee, margin money etc.		
13	**Loans (current)**		
	Unsecured, considered good		
	Security deposits	23.91	14.44
	Amount recoverable from directors and employees (refer note 58)	19.64	166.87
	Total	43.55	181.31
	Note: Refer note 52 and 53 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
14	**Other financial assets (current)**		
	Unsecured, considered good		
	Export benefits receivable	31.76	27.48
	Others	30.90	8.22
	Total	62.66	35.70
	Notes: i) Refer note 52 and 53 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses. ii) Refer note 45 for information on assets pledged and mortgaged as security by the Group.		
15	**Other current assets**		
	(Unsecured, considered good, unless otherwise stated)		
	Prepaid expenses	56.48	32.23
	Balances with statutory authorities	287.66	145.08
	Advance to suppliers		
	- considered good	85.01	83.77
	- considered doubtful	71.74	41.44
		156.75	125.21
	Less: allowance for doubtful advances	(71.74)	(41.44)
		85.01	83.77
	Total	429.15	261.08
	Note: Refer note 45 for information on assets pledged and mortgaged as security by the Group.		

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
16. Share capital		
a) Authorised		
i) 125,000,000 (March 31, 2019: 125,000,000) Equity Shares of Re.1 each	125.00	125.00
ii) 110,000,000 (March 31, 2019: 110,000,000) Preference Shares of Rs.10 each	1,100.00	1,100.00
	1,225.00	1,225.00
b) Issued, subscribed and fully paid up		
61,250,746 (March 31, 2019: 61,250,746) Equity Shares of Re.1 each	61.25	61.25
Total	61.25	61.25

c) Terms/right attached to equity shares: The Holding Company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors of the Holding Company has not proposed any dividend for current year and previous year. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts including preference shares. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

d) Reconciliation of number of equity shares of the Holding Company:

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Equity shares at the beginning of the year	61,250,746	61.25	61,250,746	61.25
Changes during the year	-	-	-	-
Equity shares at the end of the year	61,250,746	61.25	61,250,746	61.25

e) Details of shareholders holding more than 5% of equity shares in the Holding Company:

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Mr. Soshil Kumar Jain	5,000,000	8.16%	5,000,000	8.16%
Dr. Rajesh Jain	6,213,500	10.14%	6,213,500	10.14%
Mr. Sandeep Jain	4,792,100	7.82%	4,792,100	7.82%
Mrs. Sunanda Jain	6,647,300	10.85%	6,647,300	10.85%
Ravinder Jain (HUF)	4,135,000	6.75%	4,135,000	6.75%
Rajesh Jain (HUF)	3,750,799	6.12%	3,750,799	6.12%
Sandeep Jain (HUF)	4,105,000	6.70%	4,105,000	6.70%
Serum Institute of India Ltd	5,805,279	9.48%	5,774,732	9.43%
Mr. Adar Cyrus Poonawala	3,157,034	5.15%	3,157,034	5.15%

The above information has been furnished as per the shareholders' detail available with the Holding Company at the year end.

f) Terms attached to 0.5% cumulative non-convertible and non-participating redeemable preference shares:

The Holding Company has only one class of preference shares having a par value of Rs.10 per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors of the Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors of the Holding Company has not proposed any dividend for current year and previous year.

The preference shares were initially issued for a period of 10 years w.e.f. January 6, 2015, with an option with the Holding Company as well as preference shareholders for early redemption of preference shares, provided CDR debts (refer note 18(A)) are fully serviced and the Holding Company comes out from the purview of CDR system. The terms of preference shares have been amended on April 08, 2019 so as to enhance the tenure from 10 years to 15 years with an option with the Holding Company as well as preference shareholders for early redemption of preference shares, provided the secured debt obligations with respect to debentures issued by the Holding Company are fully serviced as per the agreed terms with the new investor. In the event of liquidation of the Holding Company, the holders of preference shares will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in preference to the equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders. Also refer note 18(D).

g) Reconciliation of 0.5% cumulative non-convertible and non-participating redeemable preference shares of the Holding Company:

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Preference shares at the beginning of the year	16,300,000	163.00	16,300,000	163.00
Changes during the year	-	-	-	-
Preference shares at the end of the year	16,300,000	163.00	16,300,000	163.00

h) No equity/preference shares have been bought back nor any bonus share or shares have been issued for consideration other than cash during the period of five years immediately preceding the reporting date except for issue of preference shares by conversion of loan in financial year 2014-15 amounting to Rs.163,000,000.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Further, as per the proposed Scheme of Arrangement with respect to demerger of Demerged Undertaking (refer note 41), 1,63,000 preference shares shall stand cancelled including all the accrued rights therein upon implementation of the said Scheme of Arrangement and completion of related compliances, the Resulting Company shall issue equivalent number of preference shares to the preference shareholders.

i) Details of preference shareholders holding more than 5% of 0.5% cumulative non convertible and non participating redeemable preference share capital:

Name of persons	**As at March 31, 2020**		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Mr. Soshil Kumar Jain	6,570,000	40.31%	6,570,000	40.31%
Dr. Rajesh Jain	6,570,000	40.31%	6,570,000	40.31%
Mr. Sandeep Jain	3,160,000	19.38%	3,160,000	19.38%

The above information has been furnished as per the shareholders detail available with the Holding Company at the year end.

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
17. Other equity*		
Equity component of compound financial instruments (refer note 16 (f) to (i) and 18(D))	217.93	96.39
Share Warrants (refer note 57)	320.00	-
Reserves and Surplus:		
Retained earnings	(1,077.09)	884.15
General reserve	474.99	474.99
Security premium	919.40	919.40
Capital redemption reserve	1,022.34	1,022.34
Foreign currency translation	49.05	45.45
Total	1,926.62	3,442.72

* For changes in balances of reserves, refer to the Consolidated Statement of Changes in Equity.

Nature and purpose of other reserves

General reserve: The Holding Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act. Securities premium: Represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act. Capital redemption reserve: Created in accordance with provisions of the Act for the buy back of equity shares from the market. Foreign currency monetary item translation difference: Contains exchange difference arising on long term foreign currency monetary items related to foreign currency term loan.

Foreign Currency translation reserve: Assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at date of the balance sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at the year-end due to translation is debited or credited to currency translation reserve.

	As at March 31, 2020	As at March 31, 2019
18. Borrowings (non-current)		
Foreign currency term loans from banks (refer note (A) below)		
Bank of India	-	1,136.70
Rupee term loan from banks		
Term loan from banks (refer note (A) below)		
Indian Overseas Bank	-	660.57
State Bank of India [loan - I]	-	894.45
State Bank of India [loan - II]	-	450.13
Working capital term loan (refer note (A) below)		
Bank of India	-	33.70
Canara Bank	-	21.35
IDBI Bank	-	14.97
Indian Overseas Bank	-	29.96
State Bank of India	-	334.50
Union Bank of India	-	26.02
Funded interest term loan (refer note (A) below)		
Bank of India	-	82.70
Canara Bank	-	12.94
IDBI Bank	-	10.28
Indian Overseas Bank	-	162.67
State Bank of India	-	376.15
Union Bank of India	-	15.59
Non-convertible Debentures (NCDs) (refer note (B) below		
NCD Series 1A		
India Resurgence Fund Scheme 1	114.02	-
India Resurgence Fund Scheme 2	586.40	-
Piramal Enterprises Limited	114.02	-

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019
NCD Series 1B		
India Resurgence Fund Scheme 1	807.80	-
India Resurgence Fund Scheme 2	4,154.40	-
Piramal Enterprises Limited	807.80	-
NCD Series 2		
India Resurgence Fund Scheme 1	57.40	-
India Resurgence Fund Scheme 2	295.20	-
Piramal Enterprises Limited	57.40	-
Rupee Term loans from others		
Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer note (C) (i) and (ii) below and note 51)	34.00	59.50
Department of Science & Technology ("DST") (unsecured) (refer note (C) (iii) below)	4.00	8.00
Edelweiss Assets Reconstruction Co. Ltd ('EARC') [loan - I] (secured) (refer note (A) below)	-	883.57
EARC [loan - II] (secured) (refer note (A) below)	-	127.13
Technology Development Board ("TDB") (secured) (refer note (C) (iv) below)	57.98	57.98
Unsecured loans		
Liability component of compound financial instruments		
116,300,000 (March 31, 2019: 16,300,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs.10 each (refer note (D) below)	28.97	105.44
Loan from related parties (refer note (C) (v) below)	266.80	266.80
	7,386.19	5,771.10
Less: current maturities of non-current borrowings (disclosed under note 24)	(1,254.91)	(5,309.88)
Total	6,131.28	461.22

Notes:
Rate of interest - The Group's long term borrowings are at an effective weighted average rate of 18 to 20% (31 March 2019: 9% to 11%) per annum.

A. Loans under Corporate Debt Restructuring (CDR)

Loans under CDR were secured by moveable as well as immoveable assets of the Company, as detailed in note 44. Additionally loans were secured by personal guarantees of Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. All the long-term loans and sustainable working capital borrowings from the banks were classified as current due to failure of CDR and have been repaid on April 09, 2019 pursuant to the bilateral settlements agreed with them. The Company has obtained no dues certificates from all such lenders and satisfied the charges created against such loans.

B. Non-convertible Debentures (NCDs)

(i) During the year under review, the Holding Company issued and allotted 74,300 unrated, unlisted, redeemable NCDs, having the face value of Rs.1 lakh each, aggregating to Rs.7,430.0 million under Series 1A, Series 1B and Series 2 NCDs to the lenders; The NCD Series 1A, 1B and 2 have maturity period of 12 months, 60 months and 18 months resepectively from the date of allotment. These NCDs are secured by way of first pari-passu charge over entire fixed assets and current assets of the Holding Company and Panacea Biotec Pharma Limited (PBPL). The NCDs are additionally secured by way of (a) personal guarantees of Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain, directors of the Holding Company; (b) pledge of 39,776,227 equity shares and entire preference shares held by the promoters and promoter group members; (c) pledge of equity shares of PBPL held by the Holding Company; and (d) corporate guarantee of the Holding Company.

(ii) Pursuant to the transfer of Company's pharmaceutical formulations business to PBPL as a going concern by way of slump sale, the above NCDs have been extinguished and novated in PBPL as a part of the transfer of said Business.

(iii) The details of the immovable properties of the Holding Company and PBPL mortgaged in favour of Vistra (ITCL) India Limited (acting as trustee on behalf of the NCD holders, to secure the NCDs are as under:

(a) All parcels of land admeasuring 161 Bighas, 18 Biswas and 10 Biswasi situated at Village Samelheri, Tehsil Derabassi, District S.A.S. Nagar (Mohali), Punjab;

(b) All parcels of land admeasuring 91 Bighas 1 Biswa (including 58 Bighas 6 Biswa transferred to PBPL vide deed of conveyance dated Feburary 04, 2020) comprised in various Khewat/Khatoni Numbers situated at Village Malpur, Tehsil Baddi, District Solan, Himachal Pradesh;

(c) All parcels of land admeasuring 26 Bighas 3 biswas comprised in various Khewat/Khatoni Numbers, situated at Village Manpura, Tehsil Baddi, District Solan, Himachal Pradesh;

(d) Flat number 3, 4, 203 and 303 situated at Elite Heights Apartment, at municipal no. 6-3-1238/15/1 & 6-3-1238/16 survey no. 32/1, at Somajiguda, Hyderabad, Telangana;

(e) Industrial plot no. A-24, A-25 and A-27 having land measuring 718.92 sq yds each at Block B-1 Extension and Industrial plot no. E-12 having land measuring 1,372.52 sq yds at Block B-1, situated at Mohan Co-operative Industrial Estate, Mathura Road, New Delhi;

(f) 80 flats, i.e., 20 flats comprising in block A-2 bearing no: 101 to 104, 201 to 201, 301 to 304, 401 to 404 & 501 to 504 each having super area 1495 sqft and 60 flats in block B-10, B-11, B-12 bearing no. 101 to 104, 201 to 201, 301 to 304, 401 to 404 & 501 to 504 each having super area 1161 sqft (30 flats) and super area 1186 sq ft (30 flats) in building built on land measuring 28 bigha 11 biswa in khewat khatoni no: 89/91 comprised in khasra no: 1747 (4-12), khewat khatoni no: 168/194 khasra no: 1970/1746 (1-15), 1971/1746 (3-0), 1748 (9-0) khewat khatoni no: 339/333 khasra no: 1749 (4-11), 1750 (5-13), kitas 6, village Bhatoli Kalan, Hadbast no. 214, Pargna Dharampura, Tehsil Baddi, District Solan, H.P.

(g) Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri (East), Mumbai;

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(h) Flat no. 401, 601 in A-wing and Flat no. 214 in C-wing situated at Progressive's Signature Tower, plot no. 53/54 sector-6, Ghansoli, Navi Mumbai;

(i) Residential premises no. 703, 704, 903, 904 and 1001 to 1004 in wing "B" of Sagar Heights Building F; and Commercial premises no. 707 to 712, 714 to 718, 808 to 812 and 814 to 818 in Sagar Tech Plaza- Building A, all situated at CTS no . 721/A, 721B, & 721/1 survey no: 14,15,2052, at village Mohili, Andheri Kurla Road, Andheri (East), Mumbai; and

(j) Industrial plot no. Gen-72/3, land measuring 5518 sqmts in the Trans Thane Creek Industrial Area, Navi Mumbai.

C. Repayment terms and security of the other loans:

(i) Rupee term loan from BIRAC for H1N1 influenza vaccine project, with amount outstanding of Rs.28.00 million (March 31, 2019: Rs.49.00 million) is repayable in ten equal half-yearly instalments commencing from March 31, 2017. This loan is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(ii) Rupee term loan from BIRAC for Streptococcus pneumococcal conjugate vaccine project, with amount outstanding of Rs.6.00 million (March 31, 2019: Rs.10.50 million), is repayable in ten equal half-yearly instalments commencing from May 29, 2017 and is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(iii) The unsecured rupee term loan from DST of Rs. 4.00 million (March 31, 2019: Rs. 8.00 million) is for specific project and is repayable in ten equal annual instalments commencing from September 2012.

(iv) Rupee term loan from TDB of Rs.57.98 million (March 31, 2019: Rs.57.98 million) is for Dengue vaccine project and is repayable in nine equal half-yearly instalments commencing from July 1, 2020. This loan is secured by way of first pari-passu charge (a) on the whole of the moveable properties of the Holding Company including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future except book debts; and (b) mortgage of immovable properties of the Holding Company being land admeasuring 1011.11 sq. yards, situated at Plot no. 37, Sector 21-A, Urban Estate, Faridabad, Haryana.

(v) Loan from related parties includes loans from bodies corporate and are payable after April 07, 2024. Interest rates ranges between 9% - 9.5%, also refer note 44.

D. Liability component of compound financial instruments

(i) Further to note 16(f), the Holding Company had issued 16,300,000 0.5% cumulative non-convertible and non-participating redeemable Preference shares of Rs.10 each to the three promoters viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. The preference shares are presented in the balance sheet as follows:

(Rs. in million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Value of preference shares issued	163.00	163.00
Equity component of preference shares (refer note (i) below)	(217.93)	(96.39)
	(54.93)	66.61
Interest expense (refer note (ii) below)	45.07	10.84
Opening interest accrued	38.83	27.99
Non-current borrowings	28.97	105.44

Notes:

(i) The equity component is the difference between fair value of liability component computed at the effective interest rate of 18.5% p.a. (March 31, 2019: 11% p.a.) and the value of preference shares issued, which is presented as a separate component of equity in the Consolidated Statement of Changes in Equity.

(ii) Interest expense is calculated by applying the effective interest rate of 18.5% p.a. (March 31, 2019: 11% p.a.) to the liability component

(iii) For terms attached to 0.5% cumulative non-convertible and non-participating redeemable preference shares refer note 16(f).

E. Refer note 45 for information on assets pledged and mortgaged as security by the Group.

F. Refer note 51 for defaults of repayment of loans and interest thereon.

(Rs. in million)

	Particulars	**As at March 31, 2020**	As at March 31, 2019
19	**Other financial liabilities (non-current)**		
	Interest accrued but not due on borrowings	830.87	-
		830.87	-
20	**Non-current provisions**		
	Provision for gratuity	167.27	187.01
	Provision for compensated absences	123.66	210.79
	Others	136.47	-
	Total	427.40	397.80
	Note: Refer note 48 for disclosure of employee benefits obligations		
21	**Other non-current liabilities**		
	Deferred government grant	0.85	38.20
	Deferred income	3.03	1.49
	Total	3.88	39.69

(Rs. in million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
22 Borrowings (current)		
From banks (secured)		
Cash credits (refer note 18 (A))	-	654.79
Others (unsecured)		
Loan from related parties (refer note (ii) and (iv) below)	-	3.38
Loan from bodies corporate (refer note (iv) below)	35.68	35.68
Total	35.68	693.85

Notes:
(i) Rate of interest - The Group's current borrowings are at an effective weighted average rate of 9% (March 31, 2019: 9% to 11%) per annum.
(ii) Refer note 44 for related party disclosure.
(iii) Refer note 45 for information on assets pledged and mortgaged as security by the Group.
(iv) Refer note 52 for disclosure of fair value in respect of financial liabilities measured at amortised cost and note 53 for maturities of financial liabilities.
(v) Refer note 51 for defaults of repayment of loans and interest thereon.

Particulars	As at March 31, 2020	As at March 31, 2019
Cash credits from banks		
Bank of India	-	152.40
Canara Bank	-	99.30
IDBI Bank	-	14.62
Indian Overseas Bank	-	43.20
State Bank of India	-	224.78
Union Bank of India	-	120.49
Loan from related parties (refer note 44)		
Trinidhi Finance Private Limited	-	3.38
Loan from bodies corporate		
Ulterior Holdings Private Limited	35.68	35.68
Total	35.68	693.85
23. Trade payables		
Due to:		
- micro, small and medium enterprises (refer note 43)	31.24	18.80
- others	1,957.28	2,678.30
Total	1,988.52	2,697.10
24. Other financial liabilities (current)		
Current maturities of long-term borrowings	1,254.91	5,309.88
Interest accrued but not due on borrowings	463.36	7.33
Interest accrued and due on borrowings	15.49	12.84
Deposit from trading agents	55.54	55.85
Others	11.65	9.99
Total	1,800.95	5,395.89

Notes: i) Refer note 52 for disclosure of fair value in respect of financial liabilities measured at amortised cost and note 53 for maturities of financial liabilities.

ii) Refer note 51 for defaults of repayment of loans and interest thereon.

Particulars	As at March 31, 2020	As at March 31, 2019
25. Other current liabilities		
Advances from customers	147.94	116.58
Income received in advance	-	0.76
Deferred government grant	88.65	0.84
Statutory liabilities	25.96	29.82
Others	5.92	3.39
Total	268.47	151.39
26. Provisions (current)		
Provision for compensated absences	69.55	64.43
Total	69.55	64.43
27. Current tax liabilities (net)		
Provision for tax	4.55	74.75
Total	4.55	74.75

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
28. Revenue from operations		
Sale of products		
Manufactured goods	4,910.69	4,028.38
Traded goods	409.85	441.04
Sale of services		
Contract manufacturing	51.32	53.23
Other operating revenue		
Export benefits	64.64	40.76
Royalty income	-	0.71
Scrap sale	4.12	2.84
Total	5,440.62	4,566.96
A Revenue from contracts with customers disaggregated based on nature of products or services (including discontinued operations) Revenue from sale of products		
Vaccine	1,299.07	961.89
Pharma	4,072.79	3,560.76
Other operating revenue		
Export benefits	64.64	40.76
Scrap sales	4.12	2.84
Royalty income	-	0.71
Total	5,440.62	4,566.96
B Revenue from contracts with customers disaggregated based on geography (including discontinued operations)		
Domestic	3,713.81	3,375.83
Export	1,726.81	1,191.13
Total	5,440.62	4,566.96
C Reconciliation of gross revenue with the revenue from contracts with customers (including discontinued operations)		
Gross revenue#	5,549.78	4,640.65
Less: discounts	(109.16)	(73.69)
	5,440.62	4,566.96
# Revenues are recorded at a point in time. The Company has no remaining performance obligations once the goods are delivered to the customer as per terms of the contract.		
D Receivables, contract assets and contract liabilities from contracts with customers		
Trade receivables*	712.54	1,019.66
Contract balances	147.94	116.58
– Advances from customers$	860.48	1,136.24
* Trade receivables are non-interest bearing and are generally due within 30 to 180 days. There is no significant financing component in any transaction with the customers.		
$ The adjustments of advances during the year are not considered to be significant. Also refer note 40(A)(d).		

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
29. Other income		
Income from investments		
Dividend income from equity instruments	0.03	0.02
Interest income from:		
Bank deposits	45.27	4.86
Others	2.61	1.92
Others		
Excess provisions written back	228.14	2.92
Government grant income	12.15	14.25
Lease rent	0.15	2.24
Miscellaneous	8.52	18.61
Total	296.87	44.83
30. Cost of materials consumed		
Raw materials and packing materials		
Opening stock	395.55	717.60
Add : Purchases during the year	2,056.50	936.62
	2,452.05	1,654.22
Less : Closing stock	659.06	395.55
Total	1,792.99	1,258.67
31. Purchases of traded goods		
Traded goods	107.13	91.93
Total	107.13	91.93
32. Changes in inventories of finished goods, stock in trade and work in progress		
Opening Stock		
Finished goods	246.57	428.65
Work-in-progress	111.33	262.90
Traded goods	39.77	77.95
Total	397.67	769.50
Closing stock		
Finished goods	483.22	246.57
Work-in-progress	209.36	111.33
Traded goods	37.26	39.77
Total	729.84	397.67
Changes in inventories ((Increase)/Decrease)		
Finished goods	(236.65)	182.08
Work-in-progress	(98.03)	151.57
Traded goods	2.51	38.18
Total	(332.17)	371.83
33. Employee benefits expense		
Salary and wages	1,340.17	1,337.09
Contribution to provident and other funds (refer note 48)	49.85	93.62
Staff welfare expenses	33.19	40.09
Total	1,423.21	1,470.80
34. Finance costs		
Interest expense	1,731.10	849.69
Other borrowing costs	8.70	198.60
Total	1,739.80	1,048.29
35. Depreciation and amortisation expense		
Depreciation on tangible property, plant and equipment	426.37	524.85
Amortisation of intangible assets	5.82	15.17
Total	432.19	540.02

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
36. Other expenses		
Analytical testing and trial	45.92	27.29
Advertising and sales promotion	209.78	136.44
Allowance for expected credit loss and doubtful advances	184.61	119.09
Contract manufacturing	8.37	35.55
Consumption of stores and spares	169.42	269.11
Commission on sales	52.82	61.72
Directors' sitting fees	1.70	2.35
Freight and forwarding	165.48	114.49
Insurance	50.12	46.85
Legal and professional	114.46	149.15
Loss on sale of property, plant and equipment (net)	290.52	5.19
Intangible assets under development provided/written off	-	233.86
Loss on foreign exchange transactions and translations (net)	8.39	158.24
Power and fuel	297.38	345.49
Printing and stationery	9.91	9.39
Postage and communication	18.89	27.40
Payment to auditors (refer note below)	9.21	6.97
Repair and maintenance :		
Buildings	7.40	10.02
Plant and machinery	53.63	44.16
Others	30.32	29.60
Rent	16.24	12.95
Rates and taxes	90.49	322.79
Staff training and recruitment	25.57	6.14
Travelling and conveyance	96.04	84.78
Vehicle running and maintenance	18.73	27.36
Subscription	13.58	11.71
Meetings and conferences	81.50	3.45
Property, plant and equipment written off	-	318.57
Security charges	21.89	26.62
Office expenses	5.96	11.85
Miscellaneous	37.54	27.09
Total	2,135.87	2,685.67
Note: Payment to auditors*		
As auditor		
- Audit fee	4.39	2.60
- Limited review fee	2.40	2.40
In other capacity		
- Certification and other matters	1.97	1.42
- Reimbursement of out of pocket expenses	0.45	0.33
Total	9.21	6.75
*excludes service tax / goods and service tax		
37. Exceptional items		
Excess managerial remuneration receivable written off (refer note 58)	(153.97)	-
Adjustment on settlement of debts (refer note 60)	-	3,133.49
Litigation settlement fee received*	-	206.59
Total	(153.97)	3,340.08

*In the previous year, the Holding Company had received an amount of Rs.206.59 million as legal proceedings avoidance settlement fee, as per the terms of the Settlement Agreement entered into by the Holding Company and its partner, Apotex, with Celgene Corporation, USA for settlement of disputes regarding patents covering Abraxane drug product and the Holding Company's ANDA for paclitaxel protein bound particles for injectable suspension, 100mg/vial, a generic version of Abraxane.

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
38 Income tax		
Income tax expense consist of the following:		
Current tax expense for the year	399.64	75.47
Deferred tax		
Minimum alternative tax (MAT) credit adjustment/(entitlement)	(233.24)	27.83
Deferred tax expense/(credit)	-	(26.23)
Total income tax	166.40	77.07
Reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:		
Profit/(loss) before income taxes from continuing operations	(1,712.20)	486.15
Profit/(loss) before income taxes from discontinued operations	(61.24)	(23.90)
Profit/(loss) before income taxes from continuing and discontinued operations	(1,773.44)	462.25
At Holding Company's statutory income tax rate of 34.944% (March 31, 2019: 34.944%)	(619.71)	161.53
Adjustments in respect of current income tax		
Minimum alternative tax (MAT) for current year	-	75.47
Adjustment on account of different tax base and tax rates	686.55	-
Deferred tax not created on unused losses and depreciation	-	(187.76)
Minimum alternative tax (MAT) credit adjustments	(233.24)	27.83
Total	(166.40)	77.07

Note: Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The Holding Company and its subsidiaries incorporated in India have carried out an evaluation and based on its forecasted profits, believe that it will not be beneficial to choose the lower tax rate option. Accordingly, current tax liabilities and deferred tax asset/liabilities have been recorded at enacted tax rate of 34.944%.

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income/ transferred to discontinued operations	Closing balance
Deferred tax assets/liabilities in relation to:				
Deferred tax liabilities arising out of:				
Property, plant and equipment and intangible assets	1,465.88	(129.15)	-	1,336.73
Capital expenditure on research and development	8.44	(8.34)	-	0.10
	1,474.32	(137.49)	-	1,336.83
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	407.06	(347.67)	-	59.39
Effect of unabsorbed business loss and depreciation	1,051.76	197.99	-	1,249.75
Minimum alternative tax credit entitlement	192.04	(172.57)	-	19.47
Others	21.36	(48.48)	54.81	27.69
	1,672.22	(370.73)	54.81	1,356.30
Net deferred assets/(liabilities)	197.90	(233.24)	54.81	19.47

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income/ transferred to discontinued operations	Closing balance
Deferred tax assets/liabilities in relation to :				
Deferred tax liabilities arising out of:				
Property, plant and equipment and intangible assets	1,865.64	(399.76)	-	1,465.88
Capital expenditure on research and development	105.93	(97.49)	-	8.44
Others	24.03	(24.03)	-	-
	1,995.60	(521.28)	-	1,474.32
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	425.54	(18.48)	-	407.06
Effect of unabsorbed business loss and depreciation	1,385.86	(334.10)	-	1,051.76
Minimum alternative tax credit entitlement	230.14	(38.10)	-	192.04
Others	58.12	(129.00)	92.24	21.36
	2,099.66	(519.68)	92.24	1,672.22
Net deferred assets/(liabilities)	104.06	1.60	92.24	197.90

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Tax losses

No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised.

(Rs. in million)

Financial year	Year of expiry	**As at March 31, 2020**	As at March 31, 2019
Business Loss			
2011-12	2019-20	-	413.76
2012-13	2020-21	-	1,542.60
2013-14	2021-22	-	1,554.28
2016-17	2024-25	-	74.67
2017-18	2025-26	-	124.49
Potential tax benefit		-	1,296.35
Long term capital loss			
2017-18	2025-26	-	608.79
Potential tax benefit		-	141.82
Short term capital loss			
2017-18	2025-26	-	72.98
Potential tax benefit		-	25.50

Deferred tax assets have been recognised to the extent there are sufficient taxable temporary differences.

Minimum Alternate Tax (MAT)

The Holding Company has unused MAT credit which has been recognised on the basis that recovery is probable in the foreseeable future. MAT credit of Rs.19.47 million will expire on March 31, 2034.

(Rs. in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
39. Earnings per share (EPS)		
Profit/(loss) attributable to shareholders from continuing operations (in Rs. million)	(1,878.60)	409.08
Profit/(loss) attributable to shareholders from discontinued operations (in Rs. million)	(64.36)	(32.41)
Weighted average number of equity shares (in nos.)	61,250,746	61,250,746
Face value per equity share (in Rs.)	1.00	1.00
Profit/(loss) per equity share		
- Basic and diluted earnings per equity share from continuing operations (in Rs.)	(30.67)	6.68
- Basic and diluted earnings per equity share from discontinued operations (in Rs.)	(1.05)	(0.53)
- Basic and diluted earnings per equity share from continuing and discontinued operations (in Rs.)	(31.72)	6.15

Particulars	**As at March 31, 2020**	As at March 31, 2019
40. Contingent liabilities and commitments		
(A) Contingent liabilities (to the extent not provided for)		
Disputed demands/show cause notices under:		
Income tax cases (refer note (a)(i), (ii) and (iii)) below)	3,462.86	3,462.86
Customs duty cases (refer note (b) below)	4.00	4.00
Labour cases (in view of large number of cases, it is impracticable to disclose each case)	170.00	170.00
Sales Tax / VAT cases (refer note (e) below)	3.24	403.73

Notes :

a) i) Includes income tax demand of Rs.162.22 million in respect to Assessment Year 2005-06. The Income Tax department had issued demand based on certain grounds related to purchases made by the Holding Company from an overseas vendor. The matter was decided in favour of the Holding Company and the demand was cancelled by CIT (Appeals). However, the Income Tax Department has filed appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. The Holding Company believes that it has merit in these cases, hence no provision is required.

ii) A search operation was conducted by the Income Tax Department in the premises of the Holding Company in January 2012 and hence the Holding Company had re-filed the income tax returns for the Assessment Years 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs.3,294.90 million (including interest) on various grounds. The Holding Company preferred appeals before the CIT (Appeals) against the orders of the Income Tax department. The appeals were decided in favour of the Holding Company and the demand was cancelled. However, CIT (Appeals) has made certain disallowances with respect to Assessment Years 2010-11 and 2011-12 against which the Holding Company has filed appeals before the ITAT. The Income Tax department has also filed appeals before ITAT against the orders of CIT (Appeals). The appeals before ITAT are pending at present. Based on legal advice, the Holding Company believes that it has merits in these cases, hence no provision is required.

iii) The Income Tax department issued a demand of Rs.5.74 million in respect of Assessment Year 2009-10 on the Holding Company due to non-deduction of withholding tax on payment made to a non-resident person towards purchase of immovable property. The Holding Company filed an appeal before CIT (Appeals) against the order of department but the CIT (Appeals) gave decision in favour of department. The Holding Company filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. During the year, the Holding Company has moved an application under Vivad Se Vishwas Scheme for settlement of the case.

b) In respect of custom duty demand, the Assessing Officer levied custom duty on certain exempted items imported by the Holding Company. The Holding Company has deposited the entire amount of demand under protest amounting to Rs.4.00 million and the matter is pending before the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"). The Company Holding believes that it has merit in its case, hence no provision is required.

c) In respect of sales tax / VAT demands for Ahmedabad, Lucknow, Bangaluru, Patna, Ranchi, Chandigarh and Indore, the department has disallowed certain credit notes and non submission of statutory forms etc. The Holding Company believes that it has merit in these cases and hence no provision is required.

d) The Holding Company had manufactured and offered supply of certain vaccines which were manufactured against the confirmed order received from the Ministry of Health and Family Welfare ("MOH&FW"). Some quantities of vaccines were supplied during December 2011, the balance could not be supplied in view of disputes with respect to delivery dates and in the meantime the stock of such vaccines amounting to Rs.74.1 million expired. Further, the Holding Company had also received an advance market commitment ("AMC") amounting to Rs.100.00 million against these vaccines. The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOH&FW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Holding Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. The arbitration award was pronounced in favour of the Holding Company on March 14, 2019, vide which MOH&FW was directed to pay the applicable amount for vaccine supplied/offered for supply along with interest. MOH&FW has filed an appeal before Hon'ble Delhi High Court raising certain objections against the award, which was dismissed by the Hon'ble Court. The Holding Company's application for execution of award is currently pending before the Hon'ble Delhi High Court. The Holding Company believes that the outcome of this matter will not have any material adverse impact on the financial position of the Holding Company.

e) Radhika Heights Ltd. ("RHL") (initially known as Maxwell Impex (India) Private Limited) owns an industrial plot bearing No. G-3, Block B-1 Extn., Mohan Co-operative Industrial Estate, Mathura Road, New Delhi, which was earlier allotted to Shri Ramesh Chandra Aggarwal by way of Registered Perpetual Lease deed. Shri Ramesh Chandra Aggarwal formed a company in the name of Maxwell Impex (India) Private Limited and conveyed his perpetual lease/ sublease hold rights in respect of the said plot to it. The entire shareholding of this company was subsequently purchased by Panacea Biotec Limited from the then shareholders of this company during financial year 1999-2000. In 2003, Delhi Development Authority ('DDA') floated a scheme for conversion of leasehold rights into freehold rights on the basis of General Power of Attorney. RHL applied for conversion of the leasehold rights to freehold rights. RHL received a demand towards unearned increase charges of Rs.100.78 million from DDA vide its letter dated October 22, 2010 without disclosing the nature and the basis of demand. RHL has filed a writ petition with the Hon'ble Delhi High Court which is pending at present. Based on legal advice, the Group believes that it has merits in this case, hence no provision for this demand towards unearned increase charge is currently recorded.

(B) Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(Rs. in million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Property, plant and equipment	46.54	36.75

b) Other commitments :

i) The Holding Company has received financial assistance in the form of soft loan under various projects from Department of Biotechnology, Department of Science & Technology and Technology Development Board respectively. As per the terms of related agreements, the Holding Company is also required to incur expenditure in the form of monetary contribution to the relevant projects. The amount of commitment is not quantifiable.

ii) Refer note 42 for commitments relating to lease arrangements.

41. Discontinued Operations

Slump sale of Pharmaceutical business

i) On February 26, 2019, as part of the business reorganization, the Board of Directors of the Holding Company had approved transfer of pharmaceutical formulations business including related research and development activities and natural products extraction activities (referred to as 'Pharma business') to its wholly owned subsidiary, Panacea Biotec Pharma Limited ('PBPL'), with an objective to segregate the different businesses of the Holding Company to ensure smooth functioning of each business in the future. The divestment has been approved by the shareholders of the Holding Company in their extra-ordinary general meeting held on March 25, 2019. Accordingly, the activities of the Pharma business of the Holding Company, that are considered as disposal group, are presented as a discontinued operation in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operation in the Standalone Financial Statements of the Holding Company.

During the year under review, to implement the above divesture, the Holding Company has executed a Business Transfer Agreement ('BTA') with PBPL to transfer Pharma business to PBPL, together with all tangible assets (except R&D Center and natural products extraction facility at Lalru) and all intangible assets as specified in the BTA in relation to the pharmaceutical formulations business including pharmaceutical formulations facility at Baddi, Himachal Pradesh, as a going concern through slump sale. PBPL has completed its compliance with the terms and conditions of BTA on February 01, 2020 and consequently the BTA has become effective from that date. This transaction has no impact on these Consolidated Financial Statements since PBPL has been consolidated therein.

ii) Demerger of Real estate business

On February 26, 2019 and May 30, 2019, the Board of Directors of the Holding Company had approved a plan and a scheme of arrangement respectively for demerger of its real estate business comprising wholly owned subsidiary Radhika Heights Limited ('RHL') along with its step down subsidiaries and two real estate properties from PBL ('Demerged Undertaking') to its wholly-owned subsidiary, Ravinder Heights Limited ('Resulting Company'). The said scheme of arrangement is currently pending before the Hon'ble National Company Law Tribunal, Chandigarh for its final approval. Upon implementation of the demerger scheme and completion of related compliances, the Resulting Company shall be listed at the BSE and NSE in compliance with the applicable SEBI Regulations. The Holding Company has received approvals from its shareholders and unsecured creditors in their respective NCLT convened meetings held on January 28, 2020. In accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations', the assets / liabilities of the real estate business have been disclosed under "Assets classied as held for sale and discontinued operations" / "Liabilities directly associated with the assets classified as held for sale and discontinued operations" in the Standalone and Consolidated Statement of Assets and Liabilities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

iii) Financial performance and cash flows for the Real estate business:

(Rs. in million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
a)	Analysis of profit / (loss) from discontinued operations		
	Profit / (loss) for the year from discontinued operations		
	Revenue from operations	-	-
	Other income	6.64	5.77
	Total Income	6.64	5.77
	Expenses		
	Employee benefits expense	20.99	-
	Finance costs	0.01	0.01
	Depreciation and amortisation expense	9.16	10.30
	Other expenses	37.72	19.36
	Total expenses	67.88	29.67
	Profit/(loss) before tax from discontinued operations	(61.24)	(23.90)
	Tax expense	3.12	8.51
	Profit/(loss) after tax from discontinued operations	(64.36)	(32.41)
b)	Net cash flows attributable to the discontinued operations		
	Net cash (outflows) / inflows from operating activities	11.98	70.50
	Net cash (outflows) / inflows from investing activities	(25.55)	(777.16)
	Net cash (outflows) / inflows from financing activities	-	(0.01)
	Net cash (outflows) / inflows	(13.57)	(706.67)

		As at March 31, 2020	As at March 31, 2019
c)	Book value of assets and liabilities of discontinued operations		
	Property, plant and equipment and intangible assets (including CWIP)	1,182.08	538.76
	Goodwill	8.96	8.96
	Investments	74.81	-
	Other non-current financial assets	-	56.66
	Other non-current assets	40.53	177.60
	Inventories	1,680.16	1,680.16
	Trade receivable	1.24	-
	Cash and cash equivalents	1.14	3.57
	Other current financial assets	46.06	194.01
	Other current assets	202.76	4.68
	Total assets	3,237.74	2,664.40

(Rs. in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current liabilities (Provisions)	6.83	11.46
Deferred tax liabilities	85.70	88.74
Trade payables	139.25	152.92
Other financial liabilities	-	50.00
Other current liabilities	152.58	2.08
Total liabilities	384.36	305.20
Net assets	2,853.38	2,359.20

42. Leases

Group as a lessee:

Group has adopted Ind AS 116, Leases, effective April 1, 2019. The Group does not have any long-tern non cancellable leases. As on April 1, 2019, leasehold land has been transferred to Right of Use ("RoU") asset. Refer note 2.1 for details. Lease payments with respect to short term leases amounts to Rs.16.24 million which has not been included in the measurement of lease liability. As there were no lease commitments as at March 31, 2019, hence disclosure related to reconciliation of total lease commitments as at March 31, 2019 to the lease liabilities recognised at April 01, 2019 is not applicable.

Group as a lessor

The Group has leased out certain office and godown premises under short-term operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. There are no sub-lease payments expected to be received under non-cancellable sub-leases at the balance sheet date and no restriction is imposed by lease arrangements. Lease income amounting to Rs.0.15 million (March 31, 2019: Rs.2.24 million) has been recorded in the Consolidated Statement of Profit and Loss.

43. (A) Details of dues to micro, small and medium enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]:

(Rs. in million)

S. no.	Particulars	As at March 31, 2020		As at March 31, 2019	
		Principal	**Interest***	Principal	Interest*
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	31.24	1.08	18.80	9.33
ii)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	69.68	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	1.08	-	9.33
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-	-	-

*Included in "expense payable" in note 23.

44. Related Party Disclosures

As per Ind AS 24, the disclosure of transactions with related parties are as given below:

(A) Names of related parties and related party relationships

a) Joint Venture

- Chiron Panacea Vaccines Private Limited (Under liquidation) ("CPV")

b) Key Management Personnel

- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- Dr. Rajesh Jain - Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- Mrs. Sunanda Jain - Whole-time Director
- Mr. Sumit Jain - Whole-time Director designated as Director Operations & Projects
- Mr. Ankesh Jain - Whole-time Director designated as Director Sales & Marketing
- Mr. Vinod Goel - Group CFO and Head Legal & Company Secretary
- Mr. Devender Gupta - Chief Financial Officer & Head Information Technology
- Mr. R. L. Narasimhan - Non-Executive Independent Director
- Mr. N. N. Khamitkar - Non-Executive Independent Director
- Mr. K. M. Lal - Non-Executive Independent Director
- Mrs. Manjula Upadhyay - Non-Executive Independent Director
- Mr. Mukul Gupta - Non-Executive Independent Director
- Mr. Ashwini Luthra - Non-Executive Independent Director (w.e.f. October 18, 2018)
- Mr. Bhupinder Singh - Non-Executive Independent Director (w.e.f. April 08, 2019)
- Mr. Nithin Krishna Kaimal - Non-Executive Director (from April 08, 2019 to December 10, 2019)
- Mr. Shantanu Yeshwant Nalavadi - Non-Executive Director (w.e.f. December 10, 2019)

c) Relatives of Key Management personnel having transactions with the Group:

- Mr. Ashwani Jain, son-in-law of Mr. Soshil Kumar Jain
- Mr. Shagun Jain, son-in-law of Mrs. Sunanda Jain
- Mrs. Radhika Jain, daughter of Mrs. Sunanda Jain
- Mrs. Shilpy Jain, wife of Mr. Sumit Jain and daaughter-in-law of Mrs. Sunanda Jain
- Mr. Harshet Jain, son of Dr. Rajesh Jain and brother of Mr. Ankesh Jain

d) Enterprises over which Person(s) (having control or significant influence over the Holding Company / Key management personnel(s), along with their relatives) are able to exercise significant influence:

- Neophar Alipro Limited ("Neophar")
- Lakshmi & Manager Holdings Limited ("LMH"),
- Trinidhi Finance Private Limited ("Trinidhi") subsidiary of LMH
- Best General Insurance Company Limited (subsidiary of LMH)
- First Lucre Partnership Co. (holding shares in the Company)
- White Pigeon Estate Private Limited
- OKI Estate Private Limited
- Panacea Life Sciences Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(B) Transactions with the Joint Venture Company: (Rs. in million)

S. No.	Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
I	Transactions made during the year:		
	Rent received		
	CPV	0.36	0.36
II	Year end balances:		
	Investments		
	CPV	22.96	22.96
	Outstanding receivable		
	CPV	0.06	0.03

(C) Transactions with Key Management Personnel (KMP), their relatives and Enterprises over which Person(s) (having control or significant influence over the Holding Company / Key management personnel(s), along with their relatives) are able to exercise significant influence:

(Rs. in million)

S. No.	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Person(s) (having control or significant influence over the Holding Company / KMP(s), along with their relatives) are able to exercise significant influence	
		For the year ended		For the year ended		For the year ended	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
I)	Transactions made during the year:						
1	Short-term employee benefits						
	Mr. Soshil Kumar Jain *	11.50	11.19				
	Mrs. Sunanda Jain	5.49	5.80				
	Dr. Rajesh Jain*	7.54	7.30				
	Mr. Sandeep Jain*	6.82	6.70				
	Mr. Sumit Jain*	4.40	4.18				
	Mr. Ankesh Jain*	2.56	2.42				
	Mr. Vinod Goel	5.37	5.62				
	Mr. Devender Gupta	3.99	4.37				
	Mr. Ashwani Jain			2.99	3.03		
	Mrs. Shilpy Jain			-	0.35		
	Mrs. Radhika Jain			2.11	2.14		
	Mr. Harshet Jain			0.66	0.35		
2	Post-employment benefits						
	Mr. Soshil Kumar Jain *	16.69	16.23				
	Dr. Rajesh Jain*	6.75	10.43				
	Mr. Sandeep Jain*	6.14	9.64				
	Mrs. Sunanda Jain	0.31	0.24				
	Mr. Sumit Jain*	1.84	2.95				
	Mr. Ankesh Jain*	0.54	0.81				
	Mr. Vinod Goel	1.09	1.33				
	Mr. Devender Gupta	0.60	0.76				
	Mr. Shagun Jain			-	0.57		
	Mr. Ashwani Jain			1.40	1.75		
	Mrs. Radhika Jain			0.41	0.50		
	Mr. Harshet Jain			0.01	-		
3	Fee for attending board / committee meetings						
	Mr. R. L. Narasimha	0.28	0.33				
	Mr. N. N. Khamitkar	0.19	0.31				
	Mr. K. M. Lal	0.26	0.27				
	Mrs. Manjula Upadhyay	0.15	0.25				
	Mr. Mukul Gupta	0.10	0.25				
	Mr. Ashwini Luthra	0.20	0.10				
	Mr. Bhupinder Singh	0.20	-				
4	Rent income						
	Neophar					0.18	0.18
	Trinidhi					0.22	0.22

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Rs. in million)

S. No.	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Person(s) (having control or significant influence over the Holding Company / KMP(s), along with their relatives) are able to exercise significant influence	
		For the year ended		For the year ended		For the year ended	
		March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
5	Interest expenses						
	Mr. Soshil Kumar Jain	11.65	9.43				
	Dr. Rajesh Jain	11.17	8.88				
	Mrs. Sunanda Jain	2.05	1.15				
	Trinidhi					0.16	0.29
6	Consultancy Expenses						
	Mrs. Shilpy Jain			0.58	0.48		
7	Interest converted into loan						
	Mr. Soshil Kumar Jain	-	20.45				
	Dr. Rajesh Jain	-	17.39				
	Mrs. Sunanda Jain	-	8.84				
	Trinidhi	-	-			-	1.45
8	Loan received						
	Dr. Rajesh Jain	-	8.00				
9	Loan repaid						
	Trinidhi					3.38	-
10	Reversal of excess remuneration paid						
	Mr. Soshil Kumar Jain	38.94	11.19				
	Mrs. Sunanda Jain	43.01	5.80				
	Dr. Rajesh Jain	26.30	7.30				
	Mr. Sandeep Jain	23.06	6.70				
	Mr. Sumit Jain	15.35	4.18				
	Mr. Ankesh Jain	7.31	2.42				
II)	**Year end balances:**						
1	Loan payable (refer note 18(c)(5))						
	Mr. Soshil Kumar Jain	125.20	125.20				
	Dr. Rajesh Jain	120.02	120.02				
	Mrs. Sunanda Jain#	21.57	21.57			-	-
	Trinidhi	-	-			-	3.38
2	Interest/Expense payable						
	Mr. Soshil Kumar Jain	10.48	-				
	Dr. Rajesh Jain	10.05	-				
	Mrs. Sunanda Jain#	0.16	-				
	Mrs. Shilpy Jain			0.04	0.05		
3	Remuneration Payable						
	Mr. Soshil Kumar Jain *	-	1.83				
	Dr. Rajesh Jain*	-	1.23				
	Mr. Sandeep Jain*	-	1.13				
	Mr. Sumit Jain*	-	0.81				
	Mr. Ankesh Jain*	-	0.38				
	Mr. Vinod Goel	-	0.50				
	Mr. Devender Gupta	-	0.76				
	Mrs. Sunanda Jain	-	1.04				
	Mr. Ashwani Jain			-	0.58		
	Mrs. Shilpy Jain			-	0.25		
	Mrs. Radhika Jain			-	0.29		

* Refer note 58.

Note: In respect of personal guarantees given by promoter directors, refer note 18 and 57. The above transactions are in the ordinary course of business.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

45. Assets mortgaged/ hypothecated as security for borrowings are as under:

(Rs. in million)

Particulars	Note	**As at March 31, 2020**	As at March 31, 2019
Non Current			
Property, plant and equipment	2.1	6,554.97	7,700.72
Capital work in progress	2.2	65.92	54.78
Intangible assets	2.3	11.41	17.23
Intangible assets under development	2.4	144.99	141.15
Financial assets			
Loans	4	11.80	11.41
Other financial assets	5	5.68	10.92
Other non-current assets	8	134.55	101.95
Total non-current assets pledged as security		6,929.32	8,038.16
Current			
Inventories	9	1,462.95	760.05
Financial assets			
Trade receivables	10	62.15	871.04
Cash and cash equivalents	11	190.33	68.95
Other bank balances	12	495.33	86.33
Loans	13	41.97	181.13
Others financial assets	14	62.66	27.48
Non financial assets			
Other current assets	15	413.57	277.61
Total current assets pledged as security		2,728.96	2,272.59
Assets classified as held for sale and discontinued operations	41	638.39	496.12
Total assets mortgaged and pledged as security		10,296.67	10,806.87

Note: The above assets have been mortgaged/hypothecated for securing the debts of the Company and/or PBPL.

46. Segment information

The Group has determined following reportable segments based on the information reviewed by the Holding Company's management:

a. Vaccines

b. Formulations

c. Real estate

(A) Information about reportable segments

(Rs. in million)

Particulars	Vaccines		Formulations		Real Estate		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Segment revenue	1,328.34	961.89	4,112.28	3,605.07	-	-	5,440.62	4,566.96
Other income	84.78	11.29	212.09	21.21	6.64	5.77	303.51	38.27
Total Income	1,413.12	973.18	4,324.37	3,626.28	6.64	5.77	5,744.13	4,605.23
Less: Income from discontinued operations	-	-	-	-	6.64	5.77	6.64	5.77
Total Income from continuing operations	1,413.12	973.18	4,324.37	3,626.28	-	-	5,737.49	4,599.46
Segment result from continuing operations	(861.50)	(1,438.29)	1,039.77	(67.03)	-	-	178.27	(1,505.32)
Unallocated corporate expenses							-	306.88
Operating profit/ (loss)							178.27	(1,812.20)
Less: Interest and finance charges							1,739.80	1,048.29
Add: Unallocated exceptional items gain/ (loss)							(153.97)	3,340.08
Add: Other income							3.30	6.56
Profit/(loss) before tax from continuing operations							(1,712.20)	486.15
Less: Tax expense							166.40	77.07
Profit/(loss) after tax from continuing operations							(1,878.60)	409.08
Profit/(loss) after tax from discontinued operations							(64.36)	(32.41)
Profit/(loss) for the year							(1,942.96)	376.67
Other comprehensive income/(loss)							27.54	(4.61)
Total other comprehensive income							(1,915.42)	372.06

(Rs. in million)

Other Information	Vaccines		Formulations		Real Estate		Total	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Segment assets	7,078.44	4,721.04	3,586.82	4,306.47	3,237.74	2,664.40	13,903.00	11,691.91
Transferred to discontinued operations	-	-	-	-	3,237.74	2,664.40	3,237.74	2,664.40
Total	7,078.44	4,721.04	3,586.82	4,306.47	-	-	10,665.26	9,027.51
Unallocated corporate assets	-	-	-	-	-	-	-	2,063.29
Total assets	7,078.44	4,721.04	3,586.82	4,306.47	-	-	10,665.26	11,090.80
Segment liabilities	1,489.26	779.04	10,071.89	2,294.65	384.36	305.20	11,945.51	3,378.89
Transferred to discontinued operations	-	-	-	-	384.36	305.20	384.36	305.20
Total	1,489.26	779.04	10,071.89	2,294.65	-	-	11,561.15	3,073.69
Unallocated corporate liabilities	-	-	-	-	-	-	-	6,902.43
Total liabilities	1,489.26	779.04	10,071.89	2,294.65	-	-	11,561.15	9,976.12
Capital expenditure*								
Tangible assets	5.13	2.27	14.04	7.16	0.06	-	19.23	9.43
Intangible assets	0.55	-	3.39	39.23	-	-	3.94	39.23
Depreciation expense	269.07	304.80	163.12	204.36	9.16	10.31	441.35	519.47
Total	274.75	307.07	180.55	250.75	9.22	10.31	464.52	568.13
Total expenditure for discontinued operations	-	-	-	-	9.22	10.31	9.22	10.31

*Excluding unallocated capital expenditure on tangible assets, intangible assets, depreciation expense and amortisation expense.

(B) Additional information by geographies

a) Revenue as per Geographical Markets:

(Rs. in million)

Segment	Domestic		Overseas	
	For the year ended March 31, 2020	For the year ended March 31, 2019	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Vaccines	790.49	791.19	537.85	170.70
Formulations	2,923.32	2,584.64	1,188.96	1,020.43
Total	3,713.81	3,375.83	1,726.81	1,191.13
Revenue from discontinued operations	-	-	-	-
Total Revenue from continuing operations	3,713.81	3,375.83	1,726.81	1,191.13

b) Assets (net) as per geographical markets:

Segment	Domestic		Overseas	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Vaccines	7,073.24	4,709.75	5.20	11.29
Formulations	3,219.06	3,846.38	367.76	460.09
Real Estate	3,237.74	2,664.40	-	-
Corporate (unallocated)	-	2,063.29	-	-
Total	13,530.04	13,283.82	372.96	471.38
Assets transferred to discontinued operations	3,237.74	2,664.40	-	-
Total	10,292.30	10,619.42	372.96	471.38

c) Revenue from customers contributing more than 10% of revenues: There is no single customer contributing more than 10% of the revenues.

d) All other assets are located in India therefore separate disclosure for other assets is not presented.

47. Research and development expenditure

Research and development expenditure incurred by the Group during the financial year are mentioned below:

(Rs. in million)

Particulars	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Revenue expenditure		
Materials consumed	7.77	14.52
Employee benefits expense	81.00	149.76
Other expenses	116.36	400.51
Depreciation and amortisation expense	40.60	98.10
Capital expenditure	1.97	39.50
Total	247.70	702.39

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

48. Employee benefits obligations

(A) Defined benefit plan

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Salary Risk	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount Rate Risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability Risk	Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals Risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Gratuity (funded)

The Group provides for gratuity for employees in India as per the Payments of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 13.27 years (March 31, 2019: 14.51 years)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
a	Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
	Present value of defined benefit obligation as at the end of the year	222.73	241.90
	Fair value of plan assets as at the end of the year	39.39	41.36
	Net liability position recognised in balance sheet	183.34	200.54
b	Changes in defined benefit obligation		
	Present value of defined benefit obligation as at the start of the year	241.90	223.62
	Acquisition adjustment	-	6.84
	Interest cost	17.75	16.48
	Current service cost	20.03	21.38
	Past service cost	-	-
	Benefits paid for eligible employees	(20.13)	(35.51)
	Actuarial loss	(36.82)	9.09
	Present value of defined benefit obligation as at the end of the year	222.73	241.90
c	Net interest cost		
	Interest cost on defined benefit obligation	17.75	16.48
	Interest income on plan assets	2.92	5.02
	Net interest cost	14.83	11.46
d	Amount recognised in the statement of profit and loss		
	Current service cost	20.03	21.38
	Past service cost	-	-
	Net interest cost	14.83	11.46
	Amount recognised in the statement of profit and loss	34.86	32.84
e	Change in plan assets		
	Fair value of the plan assets at the beginning of the year	36.66	65.31
	Actual return on plan assets	3.46	4.19
	Employer contribution	18.65	3.81
	Fund management charges	(5.26)	(1.14)
	Benefits paid for eligible employees	(14.11)	(35.51)
	Fair value of the plan assets at the end of the year	39.39	36.66
f	Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity		
	Investment with insurer	100%	100%
g	Other comprehensive income		
	Actuarial loss on arising from change in demographic assumption	-	(6.55)
	Actuarial (gain)/loss on arising from change in financial assumption	(18.03)	46.06
	Actuarial loss on arising from experience adjustment	(18.79)	(30.34)
	Actuarial loss on arising on plan assets	(0.02)	0.84
	Total actuarial loss for the year	(36.84)	10.01

(Rs. in million)

		As at March 31, 2020	As at March 31, 2019
h	Actuarial assumptions		
	Discount rate	6.76%	7.66%
	Future salary increase	6.00%	8.00%
i	Demographic Assumption		
	Retirement age (years)	60/75	60/75
	Mortality rates inclusive of provision for disability	100%	100%
	Ages	Withdrawal Rate (%)	
	Up to 30 years	10.00%	10.00%
	From 31 to 44 years	5.00%	5.00%
	Above 44 years	1.00%	1.00%
j	Sensitivity analysis for gratuity liability		
	Impact of the change in discount rate		
	a) Impact due to increase of 0.50%	(9.98)	(19.28)
	b) Impact due to decrease of 0.50%	10.86	4.43
	Impact of the change in salary increase		
	a) Impact due to increase of 0.50%	9.54	2.67
	b) Impact due to decrease of 0.50%	(8.96)	(17.84)
k	Maturity profile of defined benefit obligation		
	April 2019 to March 2020	-	31.12
	April 2020 to March 2021	11.87	6.28
	April 2021 to March 2022	8.92	6.02
	April 2022 to March 2023	6.36	12.85
	April 2023 to March 2024	8.18	15.37
	April 2024 to March 2025	18.59	5.38
	April 2025 onwards	135.90	154.74

(B) Defined contribution plans

The Group's contribution to state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds.

49. Group information

Information about subsidiary/entity consolidated

The Consolidated Financial statements of the Group include entities listed in the table below:

S. No.	Name of entity	Country of Incorporation	Proportion (%) of equity interest	
			Year ended March 31, 2020	Year ended March 31, 2019
A.	Subsidiaries of Panacea Biotec Limited[#]			
1	Radhika Heights Limited	India	100.00%	100.00%
2	Ravinder Heights Limited[##]	India	100.00%	-
3	Meyten Realtech Pvt. Ltd.[###]	India	100.00%	-
4	Panacea Biotec Pharma Limited[####]	India	100.00%	100.00%
5	Rees Investment Limited[$]	Guernsey	-	100.00%
6	Panacea Biotec (International) SA	Switzerland	100.00%	100.00%
7	PanEra Biotec Private Limited	India	50.00%	50.00%
8	Adveta Power Private Limited*	India	75.00%	75.00%
B.	Joint Venture			
1	Chiron Panacea Vaccine Private Limited (Under Liquidation)	India	50.00%	50.00%

[#] excluding names for step down subsidiaries, since consolidated financial information of these entities is used for preparing these Consolidated Financial Statements.

[##] incorporated on April 15, 2019 [###] incorporated on April 12, 2019 [####] incorporated on March 22, 2019

* Considered as subsidiary for the purpose of consolidation as per Ind AS 110.

[$] liquidated on May 23, 2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

50. Additional information, as required under Schedule III of the Companies Act, 2013, of the enterprises consolidated as subsidiaries / entities consolidated:

(Rs. in million)

S. No.	Name of entity	Net assets (assets minus liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent									
	Panacea Biotec Limited	289.61%	5,669.17	87.88%	(1,707.43)	86.93%	23.94	87.89%	(1,683.49)
Subsidiary[#]									
1	Radhika Heights Limited	113.71%	2,225.91	1.44%	(27.97)	0.00%	-	1.46%	(27.97)
2	Ravinder Heights Limited[##]	0.00%	0.01	0.01%	(0.12)	0.00%	-	0.01%	(0.12)
3	Meyten Realtech Pvt. Ltd.[###]	0.01%	0.20	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
4	Panacea Biotec Pharma Limited[####]	(308.24%)	(6,033.69)	13.62%	(264.54)	0.00%	-	13.81%	(264.54)
5	Rees Investment Limited[$]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
6	Panacea Biotec (International) SA	5.77%	113.01	(2.80%)	54.46	13.07%	3.60	(3.03%)	58.06
7	PanEra Biotec Private Limited*	(2.23%)	(43.69)	0.03%	(0.54)	0.00%	-	0.03%	(0.54)
8	Adveta Power Private Limited*	1.36%	26.57	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
Joint Venture									
1	Chiron Panacea Vaccine Private Limited (Under Liquidation)	0.00%	-	(0.17%)	3.30	0.00%	-	(0.17%)	3.30
Total		100.00%	1,957.49	100.00%	(1,942.96)	100.00%	27.54	100.00%	(1,915.42)

[#] excluding names for step down subsidiaries, since consolidated financial information of these entities is used for preparing these Consolidated Financial Statements.
[##] incorporated on April 15, 2019 [###] incorporated on April 12, 2019 [####] incorporated on March 22, 2019
* considered as subsidiary for the purpose of consolidation as per Ind AS 110 [$] liquidated on May 23, 2019

51. On account of continuous losses of the Group, certain delays and defaults, in repayment of loan installments (including accrued interest thereon)/ interest on borrowings, have occurred during the year, which are described below.

(Rs. in million)

Particulars	Amount of installment/ interest	Due Date	Paid On
Biotechnology Industrial Research Assistance Council (BIRAC) - Loan 1	7.00	March 31, 2020	Unpaid
Radhika Heights Limited	1.78	March 31, 2020	April 30, 2020
Mrs. Sunanda Jain	0.16	March 31, 2020	April 30, 2020
Ulterior Holdings Private Limited	0.72	March 31, 2020	June 29, 2020
Ulterior Holdings Private Limited	35.63	March 31, 2020	Unpaid
Radicura Pharmaceuticals Private Limited	11.87	March 31, 2020	Unpaid
Tirupati Medicare Limited	0.96	March 31, 2020	Unpaid

52. Fair value measurements

A. Financial assets and liabilities

The carrying amounts and fair values of financial instruments by class are as follows:

(Rs. in million)

As at March 31, 2020	Fair value through profit & loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
(i) Investments	0.70	-	-
(ii) Trade receivables	-	-	685.19
(iii) Cash and cash equivalents	-	-	402.18
(iv) Other bank balances	-	-	495.33
(v) Loans	-	-	55.60
(vi) Others financial assets	-	-	68.62
Total	0.70	-	1,706.92
Financial Liabilities			
(i) Borrowings	-	-	7,900.72
(ii) Trade payables	-	-	1,988.52
(iii) Other financial liabilities	-	-	67.19
Total	-	-	9,956.43

(Rs. in million)

As at March 31, 2019	Fair value through profit & loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
(i) Investments	0.70	-	-
(ii) Trade receivables	-	-	887.30
(iii) Cash and cash equivalents	-	-	144.66
(iv) Other bank balances	-	-	90.14
(v) Loans	-	-	192.97
(vi) Others financial assets	-	-	46.89
Total	0.70	-	1,361.96
Financial Liabilities			
(i) Borrowings	-	-	6,485.12
(ii) Trade payables	-	-	2,697.10
(iii) Other financial liabilities	-	-	65.84
Total	-	-	9,248.06

B. Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The different levels of fair value have been defined below:

Level 1: Quoted prices (unadjusted) in an active market for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

B1 Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. in million)

As at March 31, 2020	Note	Level 1	Level 2	Level 3
Investments	3	-	0.70	-

As at March 31, 2019	Note	Level 1	Level 2	Level 3
Investments	3	-	0.70	-

B2. Fair value of instruments measured at amortised cost

(Rs. in million)

	As at March 31, 2020		As at March 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings	7,900.72	7,879.26	6,485.12	6,448.72

The management assessed that fair value of cash and cash equivalents, trade receivables, security deposits, loan to related parties, other financial assets, short term borrowings, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

i) The fair values of the Group's fixed interest-bearing borrowings are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

ii) All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's credit worthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

53. Financial risk management

Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A. Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counter parties and incorporates this information into its credit risk controls.

A.1 Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or 12 month expected credit loss*
High credit risk	Trade receivables and loans	Life time expected credit loss or fully provided for

*In respect of trade receivables, the Group recognises a provision for lifetime expected credit losses

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(Rs. in million)

Credit rating	Particulars	**As at March 31, 2020**	As at March 31, 2019
A: Low credit risk	Cash and cash equivalents	402.18	144.66
	Other bank balances	495.33	90.14
	Loans	55.60	192.97
	Other financial assets	68.62	46.89
B: Medium credit risk	Trade receivables	706.85	943.71
C: High credit risk	Trade receivables	27.35	132.36

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become two year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to related parties and employees, security deposits and others (see note 44). Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

A.2 Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Group is in possession of the underlying asset. However, in respect of loans comprising loans to related parties, credit risk is evaluated on the basis of credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based impairment recognised (except in case of loans to related parties) on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

As at March 31, 2020 (Rs. in million)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	402.18	0.00%	-	402.18
Other bank balances	495.33	0.00%	-	495.33
Loans	55.60	0.00%	-	55.60
Other financial assets	68.62	0.00%	-	68.62

As at March 31, 2019

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	144.66	0.00%	-	144.66
Other bank balances	90.14	0.00%	-	90.14
Loans	192.97	0.00%	-	192.97
Other financial asset	46.89	0.00%	-	46.89

A.3 Expected credit loss for trade receivables under simplified approach

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein the Group has defined percentage of provision by analysing historical trend of default relevant to each category of customer based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

As at March 31, 2020 (Rs. in million)

Particulars	Not Due	0-30 days post due	31-90 days post due	91-182 days post due	183-365 days post due	366-730 days post due	More than 730 days post due	Total
Gross carrying amount	314.68	133.12	142.29	22.75	33.82	23.88	10.25	680.79
Expected loss rate	1.05%	0.59%	0.84%	4.59%	11.42%	5.12%	100.00%	3.18%
Expected credit loss (Loss allowance provision)	3.30	0.79	1.20	1.04	3.86	1.22	10.25	21.66
Carrying amount of trade receivables (net of impairment)	311.38	132.33	141.09	21.71	29.96	22.66	-	659.13

As at March 31, 2019

Particulars	Not Due	0-30 days post due	31-90 days post due	91-182 days post due	183-365 days post due	366-730 days post due	More than 730 days post due	Total
Gross carrying amount	412.68	188.45	61.24	28.81	24.46	4.29	42.65	762.58
Expected loss rate	1.35%	2.00%	2.25%	4.40%	5.50%	10.00%	100.00%	7.40%
Expected credit loss (Loss allowance provision)	5.57	3.77	1.38	1.27	1.35	0.43	42.65	56.41
Carrying amount of trade receivables (net of impairment)	407.11	184.68	59.86	27.54	23.11	3.86	-	706.17

Changes in allowance for trade receivables (Rs. in million)

Particulars	Amount
As at March 31, 2019	132.36
Loss recognised/(reversed) during the year	(105.01)
As at March 31, 2020	27.35

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

B1. Contractual Maturities of financial liabilities

The tables below analyse the Group's financial liabilities based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
March 31, 2020					
(i) Borrowings including interest thereon	2,180.04	52.29	39.50	13,560.06	15,831.89
(ii) Trade payables	1,988.52	-	-	-	1,988.52
(iii) Other financial liabilities	67.19	-	-	-	67.19
Total	4,235.75	52.29	39.50	13,560.06	17,887.60
March 31, 2019					
(i) Borrowings including interest thereon	6,023.90	19.00	12.00	430.46	6,485.36
(ii) Trade payables	2,697.10	-	-	-	2,697.10
(iii) Other financial liabilities	65.84	-	-	-	65.84
Total	8,786.84	19.00	12.00	430.46	9,248.30

C. Market Risk

i) Interest Rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the year end, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

The Group's exposure to interest rate risk on borrowings is as follows:

(Rs. in million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Variable rate	-	6,194.97
Fixed rate	7,421.87	269.98
Total	7,421.87	6,464.95

The following table illustrates the sensitivity of profit after tax and equity to a possible change in interest rates of +/- 1% in current year (March 31, 2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Interest sensitivity*

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest rates - increase by 100 basis points (March 31, 2019: 100 basis points)	-	(40.30)
Interest rates - decrease by 100 basis points (March 31, 2019: 100 basis points)	-	40.30

*Holding all other variables constant

ii) Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, CHF, JPY, CAD, GBP, KZT, RUB, SEK and TBH. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. The Group does not use any derivative instruments to manage its exposure. Also, the Group does not use forward contracts and swaps for speculative purposes.

a) Foreign currency denominated financial assets and liabilities, translated at the closing rate, are as follows:

Particulars	Foreign Currency	**As at March 31, 2020** Amount in Foreign Currency	Closing Rate (Rs.)	Amount (Rs. in million)	As at March 31, 2019 Amount in Foreign Currency	Closing Rate (Rs.)	Amount (Rs. in million)
Financial assets:							
Balance with banks	USD	10,415	75.55	0.79	639	69.15	0.04
	Euro	2,531,419	83.09	210.32	931,273	77.66	72.32
	CHF	12,980	78.43	1.02	22,426	69.41	1.56
	KZT	52,110	0.21	0.01	52,110	0.21	0.01
	RUB	4,431	0.96	0.00	16,460	1.05	0.02
Foreign trade receivable	Euro	1,948,810	83.09	36.87	2,374,840	77.66	184.42
	CHF	2,582	78.43	0.20	1,472	69.41	0.10
	USD	1,232,023	75.55	93.08	3,342,438	69.15	231.13
Financial liabilities:							
Foreign trade payable	USD	2,541,600	75.58	127.04	2,546,269	69.16	176.10
	Euro	3,384,609	83.14	249.19	2,803,452	77.70	217.83
	GBP	36,961	93.60	3.34	38,694	90.57	3.50
	CHF	105,833	78.43	8.30	92,455	69.41	6.42
	JPY	2,722,810	0.70	1.91	2,722,810	0.62	1.70
	SEK	16,820	7.63	0.13	16,820	7.44	0.13
	CAD	43,428	53.60	0.37	43,428	51.54	2.24
	THB	5,547	2.30	0.01	5,547	2.18	0.01
Foreign currency loans	USD	-	72.49	-	15,681,865	72.49	1,136.70
Interest accrued but not due	USD	-	72.49	-	-	72.49	-
Net exposure:							
	USD	(1,299,162)	-	(98.23)	(14,885,057)	-	(1,081.63)
	Euro	1,095,619	-	90.85	502,662	-	38.91
	GBP	(36,961)	-	(3.46)	(38,694)	-	(3.50)
	CHF	(90,272)	-	(7.08)	(68,556)	-	(4.76)
	RUB	4,431	-	0.00	16,460	-	0.02
	THB	(5,547)	-	(0.01)	(5,547)	-	(0.01)
	SEK	(16,820)	-	(0.13)	(16,820)	-	(0.13)
	CAD	(43,428)	-	(2.33)	(43,428)	-	(2.24)
	KZT	52,110	-	0.01	52,110	-	0.01
	JPY	(2,722,810)	-	(1.91)	(2,722,810)	-	(1.70)

* Closing exchange rate has been rounded off to two decimal places.

b) Sensitivity analysis of change in rates of material foreign currencies on profit/(loss) after tax

(Rs. in million)

	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Currency	Profit for the year +200bps		Profit for the year -200bps	
USD	(1.28)	(14.07)	(1.28)	14.07
Currency	Profit for the year +500 bps		Profit for the year -500 bps	
EURO	2.96	1.27	2.96	(1.27)
GBP	(0.11)	(0.11)	0.11	0.11
Currency	Profit for the year +200bps		Profit for the year -200bps	
JPY	(0.02)	(0.02)	0.02	0.02
CHF	(0.09)	(0.06)	0.09	0.06

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

54. Capital Management Policies

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position recognised in other comprehensive income.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Group are summarised as follows:

(Rs. in million)

Particulars	**As at March 31, 2020**	As at March 31, 2019
Non-current borrowings	8,695.91	5,791.27
Current borrowings	35.68	693.85
Less: Cash and cash equivalents	(402.18)	(144.66)
Net debt	8,329.41	6,340.46
Total equity	1,957.49	3,473.88
Net debt to equity ratio	425.51%	182.52%

55. Reconciliation of liabilities arising out of financing activities

The changes in the Group's liabilities arising from financing activities are classified as follows:

(Rs. in million)

Particulars	Long term borrowings	Short term borrowings	Total
As at April 01, 2019	5,771.10	693.85	6,464.95
Cash changes:			
- Proceeds	7,430.00	-	7,430.00
- Repayment	(5,733.90)	(658.17)	(6,392.07)
Other non-cash changes			
- Foreign currency monetary item translation difference	(4.54)	-	(4.54)
- Notional interest expense recorded on less than market rate loans	(76.47)	-	(76.47)
As at March 31, 2020	7,386.19	35.68	7,421.87

Particulars	Long term borrowings	Short term borrowings	Total
As at April 01, 2018	7,758.66	1,648.85	9,407.51
Cash changes:			
- Proceeds	-	8.00	8.00
- Repayment	(155.37)	(200.13)	(355.50)
Other non-cash changes			
- adjustment on restructuring of debt	(2,226.70)	(550.64)	(2,777.34)
- Foreign currency monetary item translation difference	116.87	-	116.87
- Conversion of short term loan into long term loan	266.80	(266.80)	-
- Conversion of interest accrued into short term loan	-	54.57	54.57
- Notional interest expense recorded on less than market rate loans	10.84	-	10.84
As at March 31, 2019	5,771.10	693.85	6,464.95

56. Interests in other entities

a. Subsidiaries

The Group's subsidiaries at year end are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity#	Place of business/ country of incorporation	Ownership interest held by the Group (%)		Ownership interest held by non-controlling interest (%)		Principal activities
		As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019	
Radhika Heights Limited	India	100	100	-	-	Real estate
Ravinder Heights Limited##	India	100	-	-	-	Real estate
Meyten Realtech Pvt. Ltd.###	India	100	-	-	-	Real estate
Panacea Biotec Pharma Limited####	India	100	100	-	-	Pharmaceuticals
Rees Investments Limited$	Guernsey	-	100	-	-	Investment
Panacea Biotec (Intl.) SA, Switzerland	Switzerland	100	100	-	-	Pharmaceuticals
PanEra Biotec Private Limited*	India	50	50	50	50	Vaccines
Adveta Power Private Limited*	India	75	75	25	25	Power generation

excluding names for step down subsidiaries, since consolidated financial information of these entities is used for preparing these Consolidated Financial Statements.
incorporated on April 15, 2019 ### incorporated on April 12, 2019 #### incorporated on March 22, 2019
* Considered as subsidiary for the purpose of consolidation as per Ind AS 110. $ liquidated on May 23, 2019

b. Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet (Rs. in million)

	PanEra Biotec Private Limited		Adveta Power Private Limited	
	As at March 31, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Current assets	32.98	37.66	0.14	0.18
Current liabilities	104.72	108.88	28.59	28.49
Net current assets	(71.74)	(71.22)	(28.45)	(28.31)
Non-current assets	11.02	11.01	29.15	29.15
Non-current liabilities	-	-	-	-
Net non-current assets	11.02	11.01	29.15	29.15
Net assets	(60.72)	(60.21)	0.70	0.84
Accumulated NCI	(30.36)	(30.11)	0.18	0.21

Summarised statement of profit and loss

	PanEra Biotec Private Limited		Adveta Power Private Limited	
	For the year ended March 31, 2020	For the year ended March 31, 2019	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Revenue	0.33	221.42	-	-
Profit of the year	(0.52)	(0.97)	(0.13)	(0.44)
Other comprehensive income	-	-	-	-
Total comprehensive income	(0.52)	(0.97)	(0.13)	(0.44)
Profit allocated to NCI	(0.26)	(0.49)	(0.03)	(0.11)
Dividend paid to NCI	-	-	-	-

Summarised cash flows

	PanEra Biotec Private Limited		Adveta Power Private Limited	
	For the year ended March 31, 2020	For the year ended March 31, 2019	**For the year ended March 31, 2020**	For the year ended March 31, 2019
Cash flows from operating activities	(4.59)	(18.18)	(0.05)	1.52
Cash flows from investing activities	3.93	11.95	-	(1.55)
Cash flows from financing activities	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	(0.66)	(6.23)	(0.05)	(0.03)

c. There are no transactions with non-controlling interests.

d. Interests in joint venture

Set out below are the joint ventures of the Group as at year end which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount as at	
					March 31, 2020	March 31, 2019
Chiron Panacea Vaccines Private Limited (under liquidation)*	India	50	Joint Venture	Equity method	55.11	52.59
Total equity accounted investments					55.11	52.59

Chiron Panacea Vaccines Private Limited (under liquidation) was engaged in marketing of vaccines with significant presence in all parts of India.
* Unlisted entity – no quoted price available.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(i) Contingent liabilities and commitments

The Group has Nil contingent liabilities and commitments in respect of joint venture.

57. During the year under review, the Holding Company has:

a. signed investment agreements with India Resurgence Fund ('IndiaRF'), promoted by Piramal Enterprises Limited and Bain Capital Credit, along with its affiliates (Investors) for obtaining long term funds of upto Rs.9,920 million, consequent to approval from shareholders in general meeting held on March 25, 2019. This investment is structured by way of subscription to Non-Convertible Debentures ('NCDs') of up to Rs.8,640 million and subscription amount of Rs.320 million towards share warrants to be allotted on a preferential basis. The share warrant subscription amount represents 25% of total amount of Rs.1,280 million proposed to be raised upon issuance of equity shares against warrants as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'). Upon exercise of conversion rights in the warrants, IndiaRF (along with its affiliates) will collectively own 10.4% stake in the equity share capital of the Holding Company on fully diluted basis;

b. issued and allotted 74,300 unrated, unlisted, redeemable NCDs, having the face value of Rs.1 lakh each, aggregating to Rs.7,430 million under Series 1A, Series 1B and Series 2 NCDs to the Investors; The NCD Series 1A has maturity period of 12 months, Series 1B 60 months and Series 2 18 months from the date of allotment. The NCDs are secured by way of first pari-passu charge over entire fixed assets and current assets of the Holding Company and PBPL. The NCDs are additionally secured by way of (i) personal guarantees of Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain; (ii) pledge of 39,776,227 equity shares held by the promoters and promoter group members and (iii) pledge of equity shares of PBPL held by the Holding Company;

c. issued and allotted 71,11,111 convertible warrants at a price of Rs.180 each on a preferential basis to the Investors, entitling them to subscribe to an equivalent number of equity shares of face value of Re.1 each at a premium of Rs.179 per share as per the provisions of Chapter V of ICDR Regulations; and

d. as a part of the transfer of pharmaceutical formulations business in accordance with the provisions of Business Transfer Agreement dated April 06, 2019, all issued and outstanding NCDs in the Holding Company have been novated and the NCDs of commensurate value of Rs.7124.31 million have been allotted by PBPL to the Investors on Feburary 01, 2020.

58. In view of absence of profits during financial years 2013-14 and 2012-13, total remuneration paid to the Managing/ Joint Managing and Whole time Directors exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956. Further, because of non-compliance to one of the conditions of part II Section II of Schedule V to the Companies Act, 2013, the remuneration paid to a whole time director during the year ended March 31, 2016 and remuneration paid to six directors (Managing/ Joint Managing and Whole time Directors) during the year ended March 31, 2017 and 2018 respectively required approval of the Central Government. The Holding Company has also paid managerial remuneration amounting to Rs.37.6 million during the financial year ended March 31, 2019 for which the Holding Company required prior approval of the Central Government. The Holding Company submitted applications to the Central Government for waiver of recovery of excess remuneration paid in respect of aforesaid periods, pending which, the excess amounts paid were considered as recoverable for the respective directors. However, in view of the recent amendments in the provisions of Section 197 of the Companies Act, 2013 effective from September 12, 2018, whereby the powers of Central Government for approval of payment of managerial remuneration in excess of limits/ waiver of recovery of managerial remuneration recoverable, etc. have been transferred to the shareholders of the Holding Company. Accordingly, the said applications stood abated at the Central Government. The Holding Company has, during the year, obtained necessary approval from its shareholders in the extra ordinary general meeting held on September 10, 2019 in compliance with the aforesaid amended provisions of the Companies Act, 2013. Accordingly, after receipt of such approval, the Holding Company has written off an amount of Rs.153.97 million which was shown as receivable as on March 31, 2019 from such directors towards such excess remuneration paid.

59. For the financial year ended March 31, 2020, the Group has incurred a loss (before tax and exceptional items) of Rs.1558.23 million (2019: loss of Rs.2,853.92 million) from continuing operations. Further, the Group has cash outflows from operations amounting to Rs.304.70 million for the year ended March 31, 2020. The continuous operating losses and the current situation caused by the spread of Covid-19 global pandemic (see note 63 below) have adversely affected the cash flows of the Group. These factors and conditions indicate a material uncertainty related to going concern of the Group. The Group has already taken various measures aimed at improving the financial condition of the Group, inter-alia, raising of funds from the Investors, settling the debts of bankers, repaying the vendors overdue, deploying funds received from the Investors for scaling up its vaccine as well as pharmaceutical formulations business in India and international markets including ROW countries, USA / EU, etc., besides expediting development of new products, monetization of non-core assets. Based on these measures and continuous efforts to improve the business performance, the management believes that it would be able to generate sustainable cash flows, recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and has therefore concluded that the going concern assumption continues to be valid.

60. During the previous year, the Holding Company had reached bilateral settlements of its debts with each consortium lender individually. Consequently during the year under review, the Holding Company has paid all its debts on April 9, 2019 to the said lenders including ECB from Bank of India pursuant to the said bilateral settlements and obtained 'no dues' certificates from such lenders. For the financial year ended March 31, 2019, the Holding Company had written back excess liabilities of Rs.3,133.49 million, which is included as Exceptional Item in the Statement of Profit and Loss.

61. Radhika Heights Limited ("RHL") (Formerly known as Best On Health Limited) along with its four wholly owned subsidiaries ("WOS") had signed a Term sheet with the developer on September 03, 2012 for development of integrated township on its 108.713 acres land (including 83.044 acres land owned by its four subsidiaries) situated in Village Harsaru and Hyatpur, Gurgaon, Haryana. Subsequent to the expiry of Term Sheet, RHL along with its four wholly owned subsidiaries ("WOS") had tried to renegotiate the terms with Bestech as per standard market norms as the Term Sheet was pro-developer and it was on different lines than the prior understanding between the parties. However, Bestech denied the revised terms and invoked arbitration by filing petition under Section 9 of Arbitration & Conciliation Act with District Court, Gurgaon and also referred the matter to Arbitral Tribunal. The District Court granted a stay over the land for a period of three months against which RHL moved Appeal with the Hon'ble High Court at Chandigarh seeking cancellation of stay. In response, Bestech also appealed to the Hon'ble High Court for extension of stay till the decision of Arbitration is granted. After hearing both sides, the Hon'ble High Court at Chandigarh continued the stay over land till the decision of Arbitral Tribunal. Since the arbitration proceedings were continuing for long, RHL along with its four WOS has settled the matter with Bestech and both the Parties have mutually agreed to withdraw the arbitral proceedings. On January 17, 2020, Arbitral Tribunal passed the consent award for termination of Arbitration proceedings, based on the Collaboration agreement executed between the parties on December 10, 2019. Post Collaboration Agreement dated December 10, 2019, Bestech has applied for license(s) as per the terms of agreement. However, due to ongoing pandemic, the matter is on hold.

62. During the financial year 2007-08, the Holding Company had given an advance of Rs.176.80 million ('the Advance') pursuant to the agreement with Ilyas & Mustafa Galadari Management Investment & Development (L.L.C.), U.A.E. ('the Developer') for purchase of certain immoveable properties in Dubai. The Developer failed to deliver the said properties to the Holding Company and offered other properties under construction in lieu of the said properties. Owing to continuous delays in completion of construction, the Holding Company initiated legal recourse and issued a legal notice to the Developer. During the financial year 2017-18, with a view to restructure the Holding Company's debt obligations and reduce its interest outlay, the Board of Directors had approved the assignment of the Advance to the Holding Company's Wholly-owned subsidiary, RHL in lieu of adjustment of part of RHL's loan payable by the Holding Company. The Holding Company executed an agreement for assignment of the Advance to RHL on April 06, 2019, which is pending regulatory approval. The Holding Company and RHL have now agreed to reduce RHL's loan by Rs.176.80 million instead of set off against the Advance. Accordingly, the Holding Company has reduced its loan from RHL by Rs.176.80 million during the year under audit. However, in case the Holding Company receives any properties or compensation from the Developer, it shall remain liable to reimburse / assign and / or otherwise handover the same to RHL in terms of the said agreement. In view of ongoing discussions with the Developer and on the basis of the legal advice obtained, the Holding Company believes that it has valid rights to claim the recovery of the advance paid to the Developer, in the form of either a refund or allotment of other properties. The management believes that, while the Advance given to the Developer is realizable, however considering prudent accounting practices, it has been decided to record a full provision for impairment of the Advance in the books of the Holding Company during the year under audit.

63. In view of the Covid-19 pandemic, there have been several restrictions imposed by governments across the globe on the travel, goods movement and transportation considering public health and safety measures, which has adversely impacted the Group's operations since late March 2020. The Group is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The management has exercised due care in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the Group's consolidated financial statements as of and for the year ended March 31, 2020. Given the uncertainties due to Covid-19, the final impact on the Group's assets and liabilities in future may differ from that estimated as at the date of approval of these consolidated financial statements.

64. As at March 31, 2019, a cumulative amount of Rs.401.04 million (March 31, 2018: Rs.331.11 million) was available with the Holding Company as 'MAT Credit Entitlement' which, based on the then future profitability projections, could have been recovered and set off in subsequent years as per the provisions of Section 115JAA of the Income-tax Act, 1961. During the year, the Holding Company has utilised MAT Credit to the extent of Rs.386.59 million. Based on revised estimates of future profitability projections and other factors, the management expects that balance MAT Credit of Rs.14.45 million can be utilised by March 31, 2034. Accordingly, during the year, the Holding Company has reversed the provision already created against the MAT balance of Rs.209.00 million and no further provisions are considered necessary.

65. 0.00 under "Rs. in million" represents amount less than Rs.50,000 and 0.00 under units represents units less than 50,000. Further, the figures shown in the tables may not exactly add up due to rounding off. Previous year figures have been regrouped, reclassified wherever considered necessary.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anupam Kumar
Partner
Membership No. 501531

Place : New Delhi
Date : June 29, 2020

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

NOTES

Panacea Biotec in News

THE HINDU

IndiaRF invests ₹992 crore in Panacea Biotech

MUMBAI, APRIL 09, 2019 00:40 IST

India Resurgence Fund (IndiaRF) promoted by Piramal Enterprises Ltd and Bain Capital Credit, along with its affiliates has announced an investment of up to ₹992 crore ($144 million) in New Delhi-based Panacea Biotec Limited.

The investment proceeds will be used for a one-time settlement with existing lenders, general working capital and growth requirements of Panacea.

This investment is structured by way of Non-Convertible Debentures (NCDs) of up to ₹864 crore and subscription amount of ₹32 crore towards share warrants to be allotted on a preferential basis.

The subscription amount represents 25% of total amount of ₹128 crore proposed to be raised upon issuance of equity shares against warrants as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Subject to exercise of warrants, IndiaRF (along with its affiliates) will collectively end up owning 10.4% stake in the company on a fully diluted basis.

Shantanu Nalavadi, Managing Director, IndiaRF said, “The purpose of this investment is to not only restructure the Company's balance sheet, but more importantly, work closely with the promoters and management team, to drive rapid revenue growth and sustainable profitability improvement.

“IndiaRF continues to remain focused on providing long term strategic solutions that enable an effective turnaround for high quality companies that have the potential for accelerated growth and profitability,” he said.

Dr. Rajesh Jain, Managing Director, Panacea Biotec said, “We look forward to leveraging IndiaRF's proven global expertise in restructuring and turnarounds, and are certain that our combined efforts will now help accelerate our ambitious growth and profitability targets.”

Panacea is a biotechnology company focused on manufacturing and marketing of pharmaceutical formulations, biopharmaceuticals and vaccines.

Panacea Biotec completes Phase I/II study of DengiAll, a tetravalent dengue vaccine candidate

The company has approached DGCI to seek accelerated review of its data to bring DengiAll to market quickly

EXPRESS PHARMA

By EP News Bureau On Sep 24, 2020

Panacea Biotec has announced the successful completion of its Phase 1/11 study to evaluate the safety and immunogenicity of its vaccine, DengiAll, a single-dose live-attenuated tetravalent vaccine.

Dr Rajesh Jain, Managing Director, said, “DengiAll's Phase 1/11 study results are even more important in the context of the COVID-19 pandemic. Co-infection of dengue and COVID-19 in a dengue-endemic India may complicate approach to treatment and strain healthcare infrastructure. Panacea Biotec has already approached the DGCI to seek accelerated review of its data to bring DengiAll to market quickly and reduce the burden on our healthcare infrastructure.”

Dr Lalitendu Mohanty, Head of Clinical Research, said, “An ideal dengue vaccine must be safe and offer a balanced and robust immune response against all four dengue serotypes. This is where we believe that DengiAll has shown promising results. I would like to thank virologist Dr. Steven Whitehead and the team at the National Institute of Allergy and Infectious Disease, US and infectious disease specialist Dr. Anna Durbin at the John Hopkins School of Public Health for their continued and unfettered support in this journey to bring DengiAll to market.”

Devender Gupta, CFO, said, “We would like to thank Technology Development Board, Ministry of Science and Technology for supporting Panacea Biotec through financial and technical resources to make DengiAll's Phase 1/11 Clinical Trials a success.”

With more than 3.9 billion people living in dengue-endemic areas and over 390 million infections per year, DengiAll targets a global market of over $3 billion, informed the company through a statement.

ET Healthworld.com
From The Economic Times

Panacea Biotec launches generic diabetes treatment drug in India

Vildagliptin product patent in India has expired on December 9, 2019, the company said.

• Updated: December 10, 2019, 15:44 IST

New Delhi: Drug firm Panacea Biotec on Tuesday said it has launched its VilACT brand tablets available in four formulations, for treatment of type 2 diabetes in India. The four formulations are Vildagliptin 50 mg, Vildagliptin 50 mg + Metformin HCL 500 mg, Vildagliptin 50 mg + Metformin HCL 850 mg and Vildagliptin 50 mg + Metformin HCL 1,000 mg, Panacea Biotec said in a filing to the BSE.

Vildagliptin product patent in India has expired on December 9, 2019, it added.

"Diacar Strategic Business Unit (SBU) has launched ViLACT brand family. This will open up a new segment for accelerated growth of the SBU," Panacea Biotec MD Rajesh Jain said.

Panacea Biotec has engineered its sales and marketing network for pharmaceutical formulations into SBUs, which comprise Oncotrust, Critical Care, Diacar, Procare and Growcare.

As per the AIOCD MAT October 2019 data, the total market size of this molecule and its combination is Rs.969 crore and is growing at the rate of 4 per cent, Panacea Biotec said.

The drug is used for "treatment of uncontrolled Type 2 Diabetes Mellitus patients," it added. Panacea Biotec stock was trading at Rs.119 on the BSE, up 2.72 per cent from its previous close.

The Tribune

दैनिक ट्रिब्यून ਪੰਜਾਬੀ ਟ੍ਰਿਬਿਊਨ

Panacea Biotec completes Phase I/II study of DengiAll vaccine

DengiAll is a single-dose live-attenuated tetravalent vaccine

New Delhi, September 24

Drug firm Panacea Biotec on Thursday said it has successfully completed Phase I/II clinical study to evaluate the safety and immunogenicity of its DengiAll vaccine.

According to the World Health Organization, dengue represents one of the 10 biggest global health threats and it is critical to have access to a safe and effective vaccine candidate that can reduce the devastating impact of dengue fever in endemic regions, Panacea Biotec said in a BSE filing.

DengiAll is a single-dose live-attenuated tetravalent vaccine. “Lt induced robust, balanced neutralising antibody responses against all the four dengue virus serotypes”, it said.

“DengiAll's Phase I/II study results are even more important in the context of the COVID-19 pandemic. Co-infection of dengue and COVID-19 in a dengue-endemic India may complicate approach to treatment and strain health care infrastructure,” Panacea Biotec MD Rajesh Jain said.

The company has already approached the Drugs Controller General of India (DCGI) to seek accelerated review of its data to bring DengiAll to market quickly and reduce burden on the country's healthcare infrastructure, he added.

Shares of Panacea Biotec were trading at Rs 196.80 per scrip on BSE, up 4.99 per cent from its previous close.

ET Healthworld.com
From The Economic Times

Panacea Biotec bags orders worth USD 24 mn from UN agencies

The company has bagged the order of the Pentavalent vaccine, which protects children against five deadly diseases, including diphtheria, tetanus and hepatitis B.

• December 19, 2019, 12:30 IST

New Delhi: Panacea Biotec on Thursday said it has bagged orders worth USD 24.32 million (over Rs.170 crore) from UN agencies, including Unicef, for the supply of Pentavalent vaccine. The vaccine protects children against five deadly diseases, including diphtheria, tetanus and hepatitis B.

"Panacea Biotec has received awards worth USD 24.32 million from U N agencies (Unicef and PAHO) for supply of its Easyfive-TT, a fully liquid WHO prequalified wP-based Pentavalent vaccine (DTwPHepB-Hib)," the company said in a filing to BSE.

The award of order from Unicef is for calendar year 2020 and from PAHO is for three calendar years -2020 to 2022.

Pediatric vaccination plays an important role to achieve Sustainable Development Goals set by the United Nations, in particular the target to reduce under-five mortality rate to less than 25 per 1,000 live births."Pentavalent vaccine protects children against five deadly diseases; Diphtheria, Tetanus, Pertussis, Hepatitis B and invasive infections caused by Haemophilus Influenza Type b - becoming the foundation of paediatric immunisation programs across the world," the company said.

Innovation in support of life

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