Panacea Biotec
Innovation in support of life

September 06, 2019

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 35th Annual General Meeting of Company for the Financial Year 2018-19 and details of Book Closure, cut-off date for E-voting and E-voting Period

Dear Sir/Madam,

We would like to inform you that the 35th Annual General Meeting ("**AGM**") of the Company is scheduled to be held on Monday, September 30, 2019 at 11:30 A.M. at the Registered Office of the Company at Ambala-Chandigarh Highway, Lalru - 140501, Punjab. In regard to the above, a copy of the Notice of AGM along with Annual Report for financial year 2018-19 is attached herewith for your reference.

Also, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Monday, September 23, 2019 to Monday, September 30, 2019 (both days inclusive).
2. For the purpose of exercising remote e-voting facility, the cut-off date shall be Monday, September 23, 2019.
3. The remote e-voting period shall commence on Friday, September 27, 2019 (from 09:00 a.m. IST) and end on Sunday, September 29, 2019 (upto 05:00 p.m. IST).

This is for your kind information and record please.

Thanking you,

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

Panacea Biotec Ltd. New Delhi-110044

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Encls.: As Above

B1 Extn. /G3, Mohan Co-op Indl. Estate,
Mathura Road, New Delhi -110044
Email: vinodgoel@panaceabiotec.com
Phone: D.I.D. +91-11-4167 9015
Fax: +91-11-4167 9070

Panacea Biotec
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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 Fifth Annual General Meeting** of the Members of Panacea Biotec Limited ("the Company") will be held on **Monday, September 30, 2019** at **11:30 A.M.** at the Registered Office of the Company at **Ambala-Chandigarh Highway, Lalru - 140501, Punjab,** 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, 2019 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, 2019 including Auditors' Report thereon and in this regard, if thought fit, to pass the following resolution(s) as an **Ordinary Resolution**:

a. "RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon laid before this meeting, 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, 2019 including Auditors' Report thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Mrs. Sunanda Jain, who retires by rotation and being eligible, offers herself for re-appointment and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mrs. Sunanda Jain (DIN: 03592692), who retires by rotation and being eligible, offered herself for re-appointment, be and is hereby re-appointed as director, liable to retire by rotation."

3. To appoint a Director in place of Mr. Sumit 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 an **Ordinary Resolution**:

"RESOLVED THAT Mr. Sumit Jain (DIN: 00014236), 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."

4. To re-appoint M/s. Walker Chandiok & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 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 recommendations of the Audit Committee and the Board of Directors, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013), be and is hereby re-appointed as the Statutory Auditors of the Company to hold the office for a second term of five (5) consecutive years from the conclusion of this Annual General Meeting of the Company till the conclusion of the 40th Annual General Meeting of the Company, at such remuneration as shall be finalised by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider the re-appointment of Mrs. Manjula Upadhyay 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), Mrs. Manjula Upadhyay (DIN: 07137968), aged about 62 years, who was appointed as an Independent Director and who holds office as an Independent Director upto March 29, 2020, 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 her 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 the Company from March 30, 2020 to March 29, 2025.

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

6. To consider revision in the borrowing limits and in this regard, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the earlier resolution passed by the members of the Company in the Extraordinary General Meeting held on March 25, 2019 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules framed thereunder ("the Act") and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any Committee, including the Executive Committee, which the Board has constituted or may hereafter constitute to exercise its powers including the power conferred by this Resolution) of the Company, to avail any Financial Indebtedness (as defined in the explanatory statement to this resolution) from time to time, which together with any financial indebtedness already availed/borrowed by the Company (including non-fund based working capital facilities but excluding accrued interest and premium) as may be required for the purpose of the business of the Company, from one or more banks, financial institutions and other persons, firms, bodies corporates, whether in India or abroad, may at any time exceed the aggregate of the paid up capital of the Company, its free reserves (reserves not set apart for any specific purpose) and securities premium, provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs.1,000 Crore (Rupees One Thousand Crore Only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise, settle, and execute such documents, deeds, writings, papers and agreements as may be required and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered by the Board to be in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors and/or to any one or more Directors and/or officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to above or contemplated in the foregoing resolution are hereby approved, ratified and confirmed in all respects."

7. 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, by the Board of Directors, to conduct the audit of cost records of the Company for the financial year 2019-20, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things 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: August 12, 2019

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT 35TH ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.**
2. **The instrument appointing the proxy, in order to be effective, must be deposited at the Registered/Corporate Office of the Company, duly completed and signed, not less than forty-eight (48) hours before the commencement of the AGM.** A Proxy Form for the AGM is enclosed herewith.
3. Pursuant to the provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
4. 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.
5. Corporate Members intending to send their authorized representative(s) to attend the AGM are requested to send to the Company a duly certified true copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the AGM.
6. Members/proxies/authorised representatives are requested to bring their copy of Annual Report to the AGM.
7. Members/proxies/authorised representatives should fill the attendance slip and hand over the same at the entrance for attending the AGM.
8. Members who hold shares in dematerialised form are requested to write their DP ID and Client ID and members who hold shares in physical form are requested to write their folio numbers in the attendance slip for easier identification of attendance at the AGM.
9. In case of joint holders attending the AGM, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.
10. Details of Directors retiring by rotation / seeking appointment or re-appointment in the ensuing AGM as required pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and Secretarial Standard on General Meetings ("Secretarial Standard - 2"), as applicable, are provided in Annexure - I to the Notice.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, September 23, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of AGM. The cut-off date to determine the eligibility for the purpose of voting through electronic means and physical voting at the AGM is Monday, September 23, 2019.
12. All relevant documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection by members at the Registered Office as well as the Corporate Office of the Company, during normal business hours between 10:00 a.m. to 12:00 noon on all working days up to and including the date of the 35th AGM of the Company. The aforesaid documents will also be available for inspection by members at the AGM.
13. The Statutory Registers required to be kept open for inspection at the AGM of the Company under the Act read with Rules made thereunder, will be available for inspection at the AGM venue by any person having the right to attend the AGM.
14. Members desirous of seeking any information relating to the annexed Audited Financial Statements of the Company for the financial year ended March 31, 2019 or propose to raise any queries at the AGM, may please write to the Company at its Registered/Corporate Office, at least 7 days prior to the date of AGM to enable the Company to compile the information and answer them in the meeting.
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.
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, during the year under review, the Company has transferred 42,414 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. 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.
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 Registrar & Transfer Agent ("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 the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, 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, SEBI has decided that securities of listed companies can be transferred only in dematerialised form from the cut-off date i.e. 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. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. **Members holding shares in electronic 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.**
22. **In all correspondence(s) with the Company and/or the 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.**
23. 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.

24. 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.
25. The Ministry of Corporate Affairs, Government of India, has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by the companies and has issued circulars allowing Companies to send official documents to their members electronically to prevent global environment degradation. In support of the Green Initiative, your Company is sending the documents i.e. Notice convening General Meetings, Annual Report containing Audited Financial Statements, Directors' Report, Auditors' Report, etc. and other communications in electronic form. The members are therefore, requested to support this Green Initiative through registering or updating their e-mail ID with their DP, if the shares are held in electronic form or with RTA, in case shares are held in physical form.
26. In terms of Regulation 36(1) of SEBI LODR Regulations, soft copy of full Annual Report for the financial year 2018-19 is being sent through email to all those members who have registered their email addresses with the Company/DPs for communication purposes. The physical copy of the Annual Report is being sent in the permitted mode to those members who have either opted for the same or have not registered their email addresses with the Company/DPs.
27. Electronic copy of the Notice of the 35th AGM of the Company, inter-alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members who have registered their email addresses with the Company/DPs for communication purposes. The physical copy of the Notice of the 35th AGM of the Company, inter-alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode to those members who have either opted for the same or have not registered their email addresses with the Company/DPs.
28. In case any member is desirous to receive communication from the Company in electronic form, he/she may register his/her email address with his/her DP or send their request at companysec@panaceabiotec.com along with his/her folio no. and valid email address for registration.
29. Members may also note that the Notice of the 35th AGM and the Annual Report for the financial year 2018-19 will also be available on the Company's website viz. https://www.panaceabiotec.com. The members will be entitled to a physical copy of the Annual Report for the financial year 2018-19, free of cost, upon sending a request to the Company Secretary at Company's Corporate Office situated at B-1. Extn./G-3, Mohan Co-op. Industrial Estate, Mathura Road, New Delhi - 110 044.
30. **The Notice of AGM will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of beneficiaries received from the depositories as on Friday, August 30, 2019. A person who is not a member as on the cut-off date i.e. Monday, September 23, 2019, should treat this Notice for information purposes only.**

    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. Monday, September 23, 2019, may obtain copy of notice of AGM and the Annual Report by sending a request to the Company or Company's RTA.
31. **Voting through Electronic Means:**

    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 remote e-voting facility to its members to cast their votes electronically on all resolutions set forth in this Notice. The Company has availed the services of National Securities Depository Limited ("NSDL") to provide the remote e-voting facility. Members may note that remote e-voting is optional and upto the discretion of the Member. NSDL shall be sending the user ID & passwords to those members whose e-mail ids are registered with Company/DPs. You are receiving this physical copy of the Notice of AGM since your e-mail id is not registered or you have requested for the physical copies of the same.

    ii) **The remote e-voting Event Number, User ID and Password for remote e-voting are provided in the attendance slip, being sent along with the notice of AGM and forms an integral part of Notice of AGM.**

    iii) The remote e-voting period commences on Friday, September 27, 2019 (from 09:00 a.m. IST) and ends on Sunday, September 29, 2019 (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. September 23, 2019 may cast their votes electronically. 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.

Cut-off date for remote e-voting	23.09.2019
Remote E-voting start date	27.09.2019
Remote E-voting end date	29.09.2019

    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. September 23, 2019, may obtain user ID and password for remote e-voting by sending a request to the Company's RTA or NSDL.

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

    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, your 'initial password' is communicated to you on your postal address.

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) "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 Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 at 91-22- 24994545 or at 1800-222-990 (toll free) or send a request at evoting@nsdl.co.in

32. **Since the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM.** For the members who do not have access or cast their votes by remote e-voting, facility for voting through ballot/polling paper shall be provided at the AGM and members attending the AGM who have not already casted their votes by remote e-voting shall be able to cast their votes at the AGM. However, the members who have casted their votes by remote e-voting prior to the date of the AGM may also attend the AGM but shall not be entitled to cast their vote again.
33. The members can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot at the AGM will not be considered.
34. The voting rights of the members for remote e-voting and physical 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 September 23, 2019.
35. The voting rights of the preference shareholders for 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 September 23, 2019.
36. 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 physical polling process in a fair and transparent manner.
37. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting 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, to the Chairman of the AGM or a person authorized by him in writing, who shall countersign the same.
38. 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 declared along with 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.
39. The route map showing directions to reach the venue of the 35th AGM of the Company along with the land mark is annexed hereto and forms part of this Notice.

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

Item No. 5

Mrs. Manjula Upadhyay (DIN:07137968), was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and erstwhile Clause 49 of the Listing Agreement. She holds office as Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years upto March 29, 2020 and the same was approved by the shareholders in the Annual General Meeting held on September 30, 2015.

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 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 Mrs. Manjula Upadhyay 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, based on the performance evaluation and as per the recommendation made by Nomination and Remuneration Committee, considers that given her knowledge, background & experience and contributions made by her during her tenure, the continued association of Mrs. Manjula Upadhyay would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.

Mrs. Manjula Upadhyay is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director. In terms of Section 149 & other applicable provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time, Mrs. Manjula Upadhyay, 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 29, 2025.

The Company has received notice in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Manjula Upadhyay for the office of Independent Director of the Company.

The Company has also received declaration from Mrs. Manjula Upadhyay that she meets with the criteria of independence as prescribed both under Section 149(6) of the Act and under SEBI LODR Regulations. In the opinion of the Board, Mrs. Manjula Upadhyay fulfills the conditions for her appointment as Independent Director of the Company as specified in the Act, the Rules made thereunder and SEBI LODR Regulations and that she is independent of the management.

The details of Mrs. Manjula Upadhyay as required under Regulation 36 of the SEBI LODR Regulations and Secretarial Standard - 2, as applicable, are provided in 'Annexure I' to the Notice.

A copy of the draft letter of appointment of Mrs. Manjula Upadhyay setting out the terms and conditions of appointment is available for inspection at the Registered Office as well as Corporate Office of the Company, during normal business hours on all working days between 10:00 a.m. to 12:00 noon on all working days up to and including the date of the 35th AGM of the Company. The copy of the draft letter of appointment shall also be available for inspection at the AGM.

Mrs. Manjula Upadhyay is interested in the resolution set out at item no. 5 of the Notice with regard to her re-appointment. Her relatives may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, 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 said resolution, except to the extent of their shareholding in the Company, if any.

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. 5 for approval of the members of the Company by way of Special Resolution.

Item No. 6

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a Special Resolution, avail any "Financial Indebtedness" as defined herein, which together with any financial indebtedness already availed/ borrowed by the Company exceed the aggregate of the paid up capital, free reserves (reserves not set apart for any specific purpose) and securities premium. This includes any borrowings to be availed by the Company by way of issue of debentures, bonds etc.

In order to meet the requirements of proposed expansion plans, settlement of existing debts, satisfy overdue payments to vendors and employees, routine capex and working capital requirements as well as for unanticipated opportunities that may come up in future, the members of the Company had by way of special resolution passed in the Extraordinary General Meeting held on March 25, 2019, approved borrowing limits up to Rs.2,000 Crore (Rupees Two Thousand Crore). However, with the bilateral settlement of debts with existing lenders, the total outstanding borrowings of the Company have reduced to less than Rs.1,000 Core. Accordingly, considering the current size and reduction in the outstanding borrowings of the Company, it is proposed to reduce financial indebtedness limit from Rs.2,000 Crore (Rupees Two Thousand Crore) to Rs.1,000 Crore (Rupees One Thousand Crore).

For the purpose of this resolution "Financial Indebtedness" shall mean:

i) moneys borrowed and debit balances at banks or other financial institutions;

ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Accounting Standards, be treated as a finance or capital lease;

v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

vi) any amount raised from any bank, financial institution, investor (whether a strategic investor or a financial investor) or holder of any securities of the relevant Person under any other transaction having the commercial effect of a borrowing (including any forward sale or purchase agreement) or any arrangement pursuant to which an asset sold by the Person and agreed to be re-acquired by it;

vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

ix) any amount raised by the issue of redeemable shares;

x) any amount of any liability under an advance or deferred purchase agreement; or

xi) the amount of any liability in respect of any guarantee, shortfall undertaking, letter of comfort or indemnity or similar assurance against financial loss of any person for any of the items referred to in paragraphs (i) to (x) above.

but shall not include the amount of accrued interest and/or other premium payable upon or in relation to any of the above referred financial indebtedness.

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. 6 of the Notice.

The Board of Directors recommends the resolution as set out at Item no. 6 for approval of the members of the Company by way of Special Resolution.

Item No. 7

The Board of Directors, on the recommendation of the Audit Committee, has in its meeting held on May 30, 2019, 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 2019-20 at a remuneration of Rs.85,000/- (Rupees Eighty 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 Service Tax/GST 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 2019-20.

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. 7 of the Notice.

The Board of Directors recommends the resolution as set out at Item no. 7 for ratification by the Members by way of an Ordinary Resolution.

By order of the Board
For Panacea Biotec Ltd.

Vinod Goel
Group CFO and Head Legal &
Company Secretary

Place: New Delhi
Date: August 12, 2019

Annexure 1 to the Notice

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

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

Particulars	**Mrs. Sunanda Jain**	**Mr. Sumit Jain**	**Mrs. Manjula Upadhyay**
Age	57 years	38 years	62 years
Qualification	Graduate in Arts	Post Graduate, Diploma in Business Management	Law Graduate
Brief Resume/ Professional Expertise	She has knowledge and experience in the Company's matters including activities relating to Company's subsidiaries in real estate business and is currently responsible for supervision of various activities relating to the Company's subsidiaries engaged into real estate activities, viz Radhika Heights Limited and its subsidiaries. She is the wife of Late Mr. Ravinder Jain who ceased to be the Managing Director of the Company due to his sad demise on 21.02.2018 and has always been the strength behind him. She is also a promoter/director of Lakshmi & Manager Holdings Limited since August, 2011 and is involved in the strategic planning, vision, and formulation of strategies for that company.	He has experience of around 19 years in the pharmaceutical industry. He joined the Company in May, 2003 as Manager (Vaccines). He is currently acting as Whole-time Director designated as Director (Operations & Projects) and is responsible for the administrative matters of Panacea Biotec's Lalru and Baddi facilities. He also oversees the Supply Chain Management of the Company. Prior to joining the Company, he was associated with the Company's Subsidiary, Radicura Infra Limited as an Executive Director.	She is a practicing lawyer with rich experience of around 30 years specially in the field of labor laws. She is the Managing Partner of M/s The Protector Law Firm and Designated Partner of MR LEX CORP LLP (a firm rendering consultancy services to several companies including the Company).
Terms and conditions of appointment/ re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mrs. Sunanda Jain who was appointed as Whole-time Director w.e.f. March 12, 2018 in the current term, is liable to retire by rotation.	In terms of Section 152(6) of the Companies Act, 2013, Mr. Sumit Jain who was re-appointed as Whole-time Director w.e.f. July 22, 2018 in the current term, is liable to retire by rotation.	As per the resolution at item no.5 of the Notice convening this AGM read with explanatory statement thereto, Mrs. Manjula Upadhyay is proposed to be re-appointed as an Independent Director.
Remuneration last drawn (including sitting fees, if any)	Rs.57.99 Lakh during FY 2018-19	Rs.41.81 Lakh during FY 2018-19	Sitting fees of Rs.2.50 Lakh during FY 2018-19
Remuneration proposed to be paid	As per existing approved terms and conditions	As per existing approved terms and conditions	Sitting fees as applicable
Date of first appointment on the Board	March 12, 2018	July 22, 2005	March 30, 2015
Shareholding in the Company as on date	66,47,300 Equity Shares of Re.1 each, comprising 10.85% of total Equity Share Capital of the Company.	3,58,500 Equity Shares of Re.1 each, comprising 0.59% of total Equity Share Capital of the Company.	Nil
Relationship with other Directors/Key Managerial Personnel	She is related to Mr. Soshil Kumar Jain, Dr. Rajesh Jain, Mr. Sandeep Jain, Mr. Sumit Jain & Mr. Ankesh Jain and not related to any other Director / Key Managerial Personnel.	He is related to Mr. Soshil Kumar Jain, Dr. Rajesh Jain, Mr. Sandeep Jain, Mrs. Sunanda Jain & Mr. Ankesh Jain and not related to any other Director / Key Managerial Personnel.	Not related to any Director/ Key Managerial Personnel.
Number of Board Meetings attended during the FY 2018-19	Four (4)	Three (3)	Five (5)
Directorships held in other Companies as on date	• Lakshmi & Manager Holdings Ltd. • Ravinder Heights Ltd.	• Radhika Heights Ltd. • Radicura Infra Ltd. • Sunanda Infra Ltd. • Cabana Structures Ltd. • Nirmala Buildwell Private Ltd. • Panera Biotec Private Ltd. • Panacea Life Sciences Ltd. • Lakshmi & Manager Holdings Ltd. • Nirmala Organic Farms & Resorts Pvt. Ltd. • Best General Insurance Company Ltd. • OKI Estates Pvt. Ltd. • Trinidhi Finance Pvt. Ltd. • Cabana Construction Pvt. Ltd. • White Pigeon Estate Pvt. Ltd. • Ravinder Heights Ltd.	• DTC India Ltd. • The Delhi Flour Mills Company Ltd.
Committee Membership / Chairmanship of other companies as on date	Nil	Nil	Nil

Panacea Biotec
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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

FORM OF PROXY

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

Name of the Member(s) : ....

Registered Address : ....

....

E-mail id : ....

Folio no. / DP ID / Client ID: ....

I/We being the member(s) of Panacea Biotec Limited holding .... shares, hereby appoint the following as my/our proxy, whose signature(s) are appended below:

1. Name: .... E-mail id: ....
   Address: .... Signature: ....or failing him/her
2. Name: .... E-mail id: ....
   Address: .... Signature: ....or failing him/her
3. Name: .... E-mail id: ....
   Address: .... Signature: ....

to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting ("AGM") of the members of the Company to be held on **Monday, September 30, 2019 at 11:30 A.M.** at its registered office at **Ambala-Chandigarh Highway, Lalru-140 501, Punjab** and at any adjournment thereof in respect of such resolutions as are indicated below:

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

S. No.	Resolution(s)	For	Against
Ordinary Business			
1	Consider and adopt: (a) Audited Financial Statements for financial year ended March 31, 2019 and (b) Audited Consolidated Financial Statements for financial year ended March 31, 2019.		
2	Re-appointment of retiring director i.e. Mrs. Sunanda Jain.		
3	Re-appointment of retiring director i.e. Mr. Sumit Jain.		
4	Re-appointment of M/s. Walker Chandiok & Co. LLP, Statutory Auditors of the Company and fixation of their remuneration.		
Special Business			
5	Re-appointment of Mrs. Manjula Upadhyay as an Independent Director.		
6	Revision in the limits of financial indebtedness.		
7	Ratification of remuneration of M/s. GT & Co., Cost Auditors for the financial year 2019-20.		

Affix Revenue Stamp

Signed this __________________ day of ______________2019

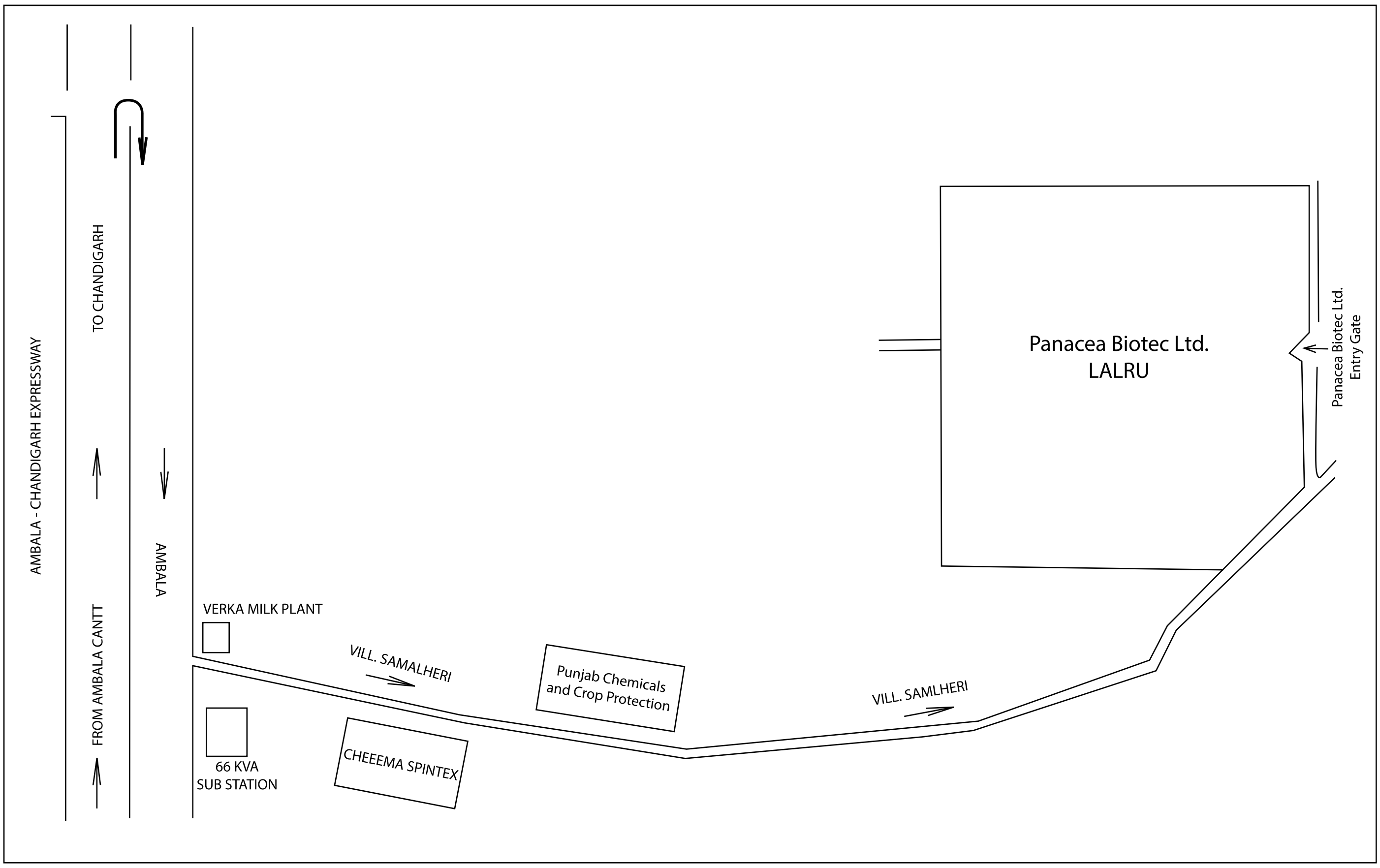
____
Signature of Shareholder

Signature of first proxy holder   Signature of second proxy holder   Signature of third proxy holder

**** This is only optional. Please put ('√') in the appropriate column against the resolutions indicated in the Box. If a member leaves the 'For' or 'Against' column blank against any or all the resolutions, his/her Proxy will be entitled to vote (on Poll) at the AGM in the manner he/she thinks appropriate.***

Notes:
1. **THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE AGM.**
2. **A PROXY NEED NOT BE A MEMBER OF THE COMPANY AND SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE AGM.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
4. Appointing a proxy does not prevent a member from attending the AGM in person and voting at the AGM if he/she so wishes. When a member appoints a Proxy and both the member and Proxy attend the AGM, proxy will stand automatically revoked.
5. In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
7. This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable laws. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
8. Undated proxy form will not be considered valid.
9. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

ROUTE MAP OF AGM VENUE



Panacea Biotec
Innovation in support of life

Panacea Biotec Limited
(CIN:L33117PB1984PLC022350)
Secretarial Deptt.
B-1 Extn./G-3, Mohan Co-op. Indl. Estate, , Mathura Road, New Delhi - 110 044, INDIA.
Phone: +91-11-4167 9000 Extn. 2081, Fax: +91-11-4167 9070
E-mail: companysec@panaceabiotec.com, Website: www.panaceabiotec.com

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(CIN:L33117PB1984PLC022350)
Regd. Office: Ambala-Chandigarh Highway, Lalru - 140 501, Punjab
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Website: www.panaceabiotec.com / E-mail: companysec@panaceabiotec.com
Tel: +91 11 41679000, Fax: +91 11 41679070

ATTENDANCE SLIP
35th Annual General Meeting

1. **Sl. No.** :
2. **Name of the Sole/First Holder** :
3. **Registered Address** :
4. **Name of the Joint Holder(s) if any** :
5. **Folio No./ D.P. & Client I.D. No.** :
6. **No. of Equity Shares held** :
7. **Name of the Proxy / Authorised Representative, if any** :

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company, being held at its registered office at Ambala-Chandigarh Highway, Lalru-140 501, Punjab, on **Monday, September 30, 2019 at 11:30 A.M.**

(Signature of the Shareholder/Proxy/Authorised Representative)

IMPORTANT : This attendance slip may please be handed over at the entrance of the Meeting Hall.

VOTING THROUGH ELECTRONIC MEANS

Shareholders may please note the electronic voting particulars set out below for the purpose of remote e-voting in terms 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015:

EVEN (Remote E-voting Event Number)	USER ID	PASSWORD / PIN

The remote e-voting facility for the 35th Annual General Meeting to be held on September 30, 2019 will be available during the following period:

Commencement of remote e-voting	End of remote e-voting
Friday, September 27, 2019 (from 09:00 a.m. IST)	Sunday, September 29, 2019 (upto 05:00 p.m. IST)

Note: Please read the remote e-voting instructions given at Note No. 31 to the Notice of the 35th Annual General Meeting carefully before exercising the vote.

The above remote e-voting details form an integral part of the Notice of the 35th Annual General Meeting to be held on September 30, 2019.

Panacea Biotec

Innovation in support of life

PRISM OF **Possibilities**

ANNUAL REPORT 2018-19

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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.

Corporate Information

Board of Directors

Executive Directors

- Mr. Soshil Kumar Jain - Chairman
- Dr. Rajesh Jain - Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- Mrs. Sunanda Jain - Whole time Director
- Mr. Sumit Jain - Director Operations & Projects
- Mr. Ankesh Jain - Director Sales & Marketing

Non-Executive Directors

- Mr. Ashwini Luthra
- Mr. Bhupinder Singh
- Mr. K. M. Lal
- Mrs. Manjula Upadhyay
- Mr. Mukul Gupta
- Mr. Nithin Krishna Kaimal
- Mr. N. N. Khamitkar
- Mr. R. L. Narasimhan

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

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

Sales & Marketing Office

7^{th} 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, I^{st} 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 August 12, 2019

INNOVATE

INTEGRATE

MOTIVATE

Panacea Biotec
Innovation in support of life

Prism of Possibilities: Innovate, Integrate, Motivate

"Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it."

This year presents many challenges to the health care industry due to the impending health reforms, changing regulatory scenario, slow rate of growth in major markets, high cost of drug development, growing legal challenges, protectionisms, increasing push on generics, falling prices of generics in major markets, increasing competitions, market access issues, increasing cost of production, lack of adequate healthcare infrastructure in developing countries including India, low insurance coverage and provider reimbursements issues.

Still, even with its challenges, the pharmaceutical industry is maintaining a stronghold globally. Indian Biotechnology and pharmaceutical sector is presently growing at a compound annual growth rate (CAGR) of 20% and is expected to reach USD 100 billion by 2025. Global pharmaceutical market is expected to exceed US$ 1.5 trillion by 2023 growing at a CAGR of around 6% and the key growth drivers will continue to be the US and the emerging economies with a CAGR of 4-7% and 5-8%, respectively. The global vaccines market was estimated at US$ 33.70 billion in 2018 and is expected to reach US$ 57.50 billion by 2025, growing at a CAGR of 7.9%. The Asia-Pacific vaccines market is expected to grow at a higher CAGR of 8.9%. The Indian vaccine market was estimated at around Rs.69 billion in 2017 and is expected to grow to Rs.111 billion by 2022, at a CAGR of around 10%. Moreover, the Ayushman Bharat - National Health Protection Scheme (NHPS), recently launched by Government of India, with a vision to provide insurance cover to an estimated 500 million individuals from nearly 100 million poor and financially vulnerable families to address the gap in the common man's access to reliable healthcare, is also a valuable opportunity to contribute towards delivering health at reasonable costs. Emerging markets with strong market growth such as India and China promise more innovative drug development, hopefully leading to more life-saving drug approvals for patients worldwide.

Some of the major trends in the healthcare industry are growing market share of Biosimilars, increasing influence of healthcare technologies in disease management, use of huge amount of big data generated by healthcare devices/wearable's by pharmaceutical companies for product and service development and better disease prevention & management, increasing trends towards comsumerization of branded drugs, more aware and engaging patients and care givers prompting development of new strategies and therapies by pharmaceutical industry.

Thus, while the challenges are compelling, now is the time for Indian and global healthcare companies to capitalize and overcome the challenges by utilizing big data, cutting edge healthcare technologies, innovative strategies and see the prism of opportunities available to them not only in India but on the global level by motivating their core leadership, all stakeholders through innovative measures and integrating all their efforts for delivering more focused, personalized, quality healthcare product and services to more demanding and aware consumers.

Healthcare professionals must be motivated by the challenges and opportunities that are clearly visible on the horizon and gear up for forging ahead in the competition.

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

Our Values

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

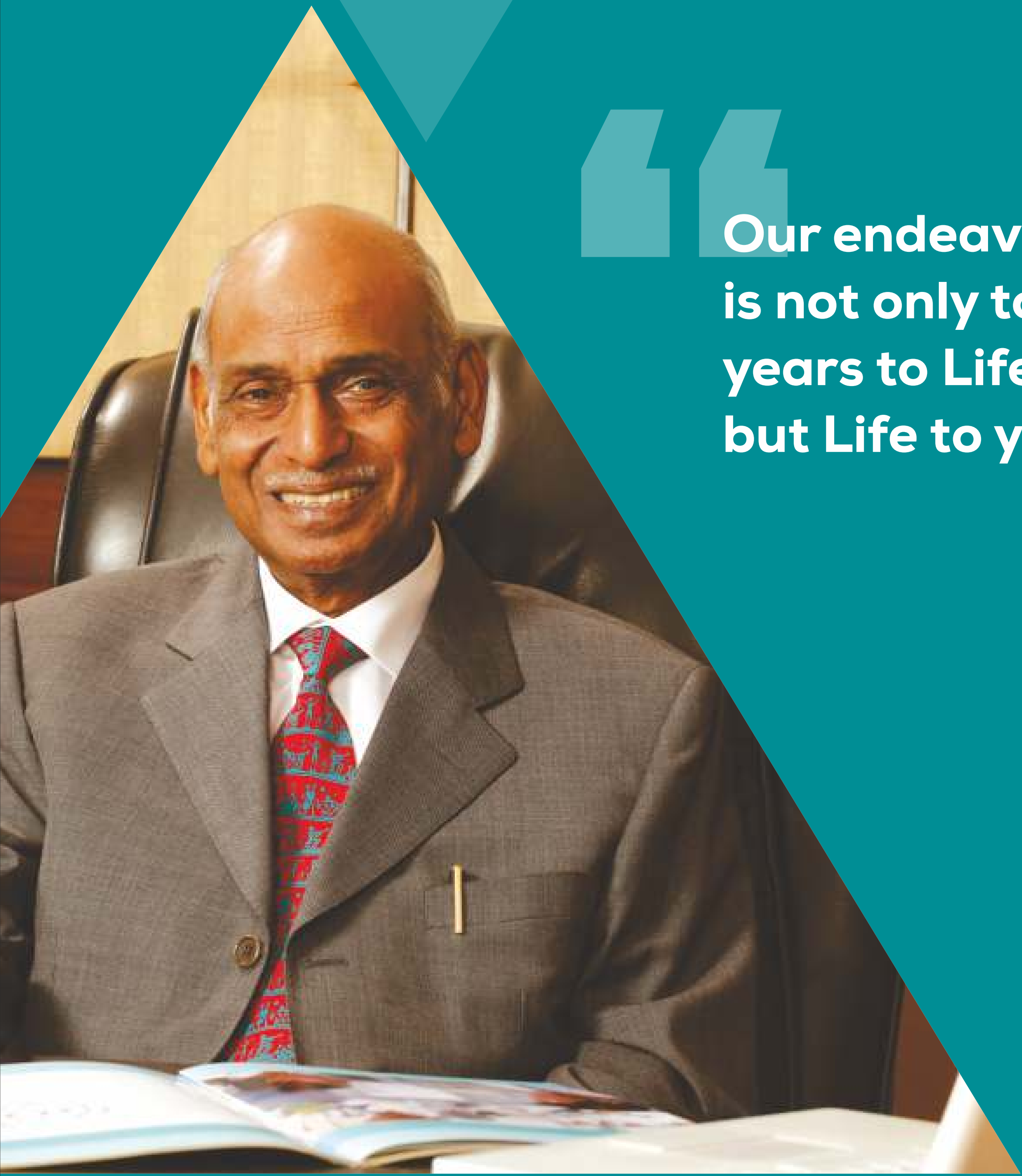
- Humility to respect all individuals
- Care for individuals and environment
- Placing betterment of people (external and internal) at the core of each activity
- Core of new developments

Financial Highlights

Particulars	2018-19*# (Rs. in million)	2018-19*# (USD million**)	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
			(Rs. in million)								
Financial Performance Summary											
Net Turnover	4,397.31	63.59	5,597.54	5,219.10	6,196.46	6,432.23	4,671.40	5,304.20	6,883.80	11,304.60	8,843.67
Total Income	4,522.32	65.40	5,951.70	5,976.89	6,724.56	7,072.52	5,146.66	6,013.50	7,080.43	11,655.12	9,778.50
EBITDA##	(1,384.88)	(20.03)	990.41	1,231.49	1,380.70	955.69	(805.90)	(786.61)	(864.50)	2,843.50	1,582.50
PBT	371.78	5.38	(612.34)	(840.43)	14.00	(633.41)	(4.16)	(2,506.30)	(2,629.47)	1,554.90	1,181.00
PAT	265.70	3.84	(718.76)	(726.61)	8.73	(652.29)	(4.16)	(2,301.30)	(2,077.87)	1,350.50	800.40
Total comprehensive income	259.19	3.75	(732.92)	(734.29)	-	-	-	-	-	-	-
Equity Share Capital	61.25	0.89	61.25	61.25	61.25	61.25	61.25	61.25	61.25	61.25	66.84
Reserves & Surplus/ Other Equity	4,123.47	59.63	3,819.72	4,496.95	5,176.05	5,172.81	5,561.59	5,551.30	8,079.60	6,306.80	6,898.40
Shareholders' Funds	4,184.72	60.52	3,880.97	4,558.20	5,400.30	5,397.06	5,622.84	5,612.55	8,140.85	6,368.05	6,965.24
Total Liabilities	14,420.35	208.54	16,734.88	17,817.51	18,074.30	18,792.32	18,864.62	16,798.20	18,528.80	17,177.94	14,745.30
Net Fixed Assets	8,232.42	119.05	9,280.89	9,696.98	10,065.88	10,766.59	11,120.27	9,864.10	10,483.66	6,523.60	6,946.58
Total Assets	14,420.35	208.54	16,734.89	17,817.51	18,074.30	18,792.32	18,864.62	16,798.20	18,528.80	17,177.94	14,745.30
Key Performance Indicators											
Profitability Ratios											
EBITDA Margin (%)	(31.49)	(0.46)	17.69	23.60	22.28	14.86	(17.25)	(14.83)	(12.56)	25.15	17.89
PBT Margin (%)	8.45	0.12	(10.94)	(16.10)	0.23	(9.85)	(0.09)	(47.25)	(38.20)	13.75	13.35
PAT Margin (%)	6.04	0.09	(12.84)	(13.92)	0.14	(10.14)	(0.09)	(43.39)	(30.18)	11.95	9.05
Shareholders Related Ratios											
Equity Dividend	-	-	-	-	-	-	-	-		75%	25%
EPS (Basic & Diluted)*** (In Rs.)	4.34	0.06	(11.74)	(11.86)	0.14	(10.65)	(0.07)	(37.57)	(33.92)	21.35	11.98

* Figures are as per Indian Accounting Standard (Ind AS)
\# Include figures for the discontinued operations
** 1 USD = INR 69.15 as on 31.03.2019
\#\# Includes other income
*** Per Equity Share of Re.1.each
Note: Figures in brackets are negative numbers

CHAIRMAN'S MESSAGE



"Our endeavour is not only to add years to Life... but Life to years"

CHAIRMAN'S MESSAGE

Dear Stakeholders

At Panacea Biotec, we believe in giving a chance for better health, a chance to live longer and live well. We, at Panacea Biotec, remain committed to affordable innovations that make a real difference in people's lives around the world. Our innovative pharmaceutical products and vaccine development program have consistently delivered Next Generation Vaccines and Pharmaceuticals.

At the outset, I am delighted to share with you that India Resurgence Fund ("IndiaRF"), promoted by Piramal Enterprises Limited and Bain Capital Credit, along with its affiliates have committed an investment of up to Rs.992 Crore (US$ 144 million) in the Company. This investment is structured by way of Non-Convertible Debentures (NCDs) of upto Rs.864 Crore (out of which NCDs worth Rs.743 Crore have been issued and allotted on April 8, 2019) and subscription amount of Rs.32 Crore towards share warrants allotted on a preferential basis. The subscription amount represents 25% of total amount of Rs.128 Crore proposed to be raised upon issuance of equity shares against warrants. 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. The significant portion of the investment proceeds have been used for bilateral settlements with the existing lenders and the balance is being used for general working capital and growth requirements of the Company.

We are really delighted to partner with IndiaRF at this critical juncture in Panacea Biotec's journey. We look forward to leveraging their proven global expertise in restructuring and turnarounds, and are certain that our combined efforts will now help accelerate our ambitious growth and profitability targets.

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. 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 measures towards increasing field force motivation, raising funds from IndiaRF to overcome working capital challenges, developing & commercializing best-in-class medicines and expanding our business operations in developed and emerging markets. Our motivation now is at its peak and we are fully geared to achieve improved financial performance in the coming years with launch of new products in the markets.

The Company's Pharmaceutical Formulations business registered revenues of Rs.348 Crore in FY2018-19 as against Rs.384 Crore in previous financial year. During the year, the performance was affected due to continued product shortages and working capital challenges. In the current year, the Company has already taken remedial measures and has seen improved performance in the business. As a result, during the first quarter of current fiscal, the Pharmaceutical Formulations business has earned revenues of Rs.97 Crore registering a growth of around 13% as against the revenues of Rs.86 Crore during corresponding quarter of the year under review.

The Company's Pharmaceutical Formulations business in India has been restructured during the current financial year and is now being managed

CHAIRMAN'S MESSAGE

by 4 Strategic Business Units (SBUs) - 2 SBUs for Super-Specialty Business viz. Transplantation & Immunology and OncoTrust and 2 SBUs for Acute & Chronic Care Business viz. Diacar Alpha and Procare.

The Company has entered into a tripartite agreement with Natco Pharma Ltd. and Breckenridge Pharmaceutical Inc. for manufacturing and supply of Azacitidine Injection for the US market under Breckenridge's already-approved ANDA. The commercial supplies have commenced during first quarter of the financial year 2019-20.

The Company's ANDA for Paclitaxel Protein bound particles for Injectable Suspension 100mg/vial has been accepted for filing by the USFDA. 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 pharma companies.

The Company along with its partner, Apotex has entered into a Settlement Agreement with Celgene Corporation. As part of the Settlement Agreement, Panacea Biotec and Apotex have received a non-exclusive license under which Panacea Biotec may, through its partner Apotex, begin selling Panacea Biotec's generic version of Abraxane® in the US and its territories and also in certain jurisdictions outside of the US on mutually agreed-upon dates. As a part of the settlement, the Company has also received an amount of around Rs.21 Crore as its share of Litigation Avoidance Fee.

The Company's manufacturing facility located at Baddi completed 5 consecutive successful current Good Manufacturing Practices (cGMP) and pre-approval inspections by the USFDA.

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 and 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 registration of Bendamustin (first oncology registration) in Syria and launched in-house developed product Sitcom (for hemorrhoids) in Zambia and Uzbekistan.

Panacea Biotec became one of the leading players in Vaccine therapeutic category in India and has earned revenues of Rs.96 Crore during FY 2018-19. Panacea Vaccine SBU has registered a strong y-o-y growth of 48% and has consistently improved its rank and market share in Vaccine therapeutic category since last 3 years.

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.

Panacea Biotec continues its efforts to make a significant difference in lives of people everywhere. It works closely towards the development of society, in line with its philosophy of creating happier and healthier society.

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, bankers, employees, partners, and 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 since 1984.

#4 in vaccines[1]
#11 pharma company in represented mkt.[2]
#15 biotechnology company in India[1]

Amongst
Top 50
Innovators In India[3]

WHO pre-qualified for pentavalent vaccine and bivalent oral polio vaccine (type 1 & 3)

EasySix™
1st fully liquid wP based Hexavalent Vaccine globally

Launched **1st Generic** in India
PacliALL: Albumin bound paclitaxel

440+ Patents granted globally
110+ applications under process

1. Biospectrum KPMG Survey October 2016. 2. AIOCD AWACS MAT MARCH 2019. 3. Innovation Awards 2016 by Clarivative Analytics.

Panacea Biotec

Innovation in support of life

Key Strengths

1. • **Strong Product Portfolio** with significant brand market share in respective therapeutic segment
2. • **Established R&D capabilities** with multi-disciplinary Research & Development centers
3. • **Robust product pipeline** of promising niche products to fuel long term future growth
4. • **State of the art manufacturing facilities** – cGMP compliant and USFDA approved
5. • **Extensive sales and distribution network** providing end to end visibility
6. • **Growing collaborations and alliances** with renowned National and International bodies
7. • **Highly experienced Promoters and Senior Management Team**
8. • **Global Footprint** Significant focus on exports

Pharmaceutical Formulations Facility, Baddi, Himachal Pradesh

Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Vaccine Market

The global vaccine market is estimated at US$ 33.70 billion in 2018 and is expected to reach US$ 57.50 billion by 2025, growing at a CAGR of 7.9%. The key drivers for the growth will be high prevalence of diseases, increasing government initiatives towards immunization, rising adoption of vaccines, technological advancements in vaccine industry and strong pipeline for vaccines. Increasing epidemic potentials and growing focus on therapeutic vaccines will also offer significant growth opportunities. The high costs associated with vaccine development, stringent regulations, longer timeline for vaccine development and product recalls may, however, impact the future growth to a certain extent.

North America accounted for largest share of vaccines market in 2017. The Asia-Pacific vaccines market is expected to grow at a CAGR of 8.9%. The growth in the APAC market is mainly attributed to large patient pool, rising prevalence of diseases, growing awareness about health and vaccination, increasing government initiatives, expanding presence of key players and increasing disposable income in emerging countries.

Indian Vaccine Market

The Indian vaccine market was estimated at around Rs.69 billion in 2017 and is expected to grow to Rs.111 billion by 2022, at a CAGR of around 10%. Over the years, India has emerged as one of the leading manufacturers of vaccines worldwide, and supplies large quantities of basic and advanced vaccines across the globe. 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 utilised in India. Indian vaccine industry supplies over 50% of global demand for various vaccines.

The strong growth of the market is expected on account of numerous factors including advancement in technology, significant addition in vaccine production capacities along with cold chain storage facilities, the increasing investments in research and development by government funding agencies. The launch of the Universal Immunization Program (UIP) aimed at increased immunization coverage against vaccine preventable diseases in the country, has also significantly added to the market growth. The advent of a number of privately owned entities in India has positively transformed the Indian vaccine industry. These entities have been making efforts to bring low cost solutions and are increasingly shifting their focus on innovation so as to increase their revenues.

Indian biotechnology industry comprising vaccines, bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bio-informatics is expected to grow at an average growth rate of around 30% a year and reach US$ 100 billion by 2025.

Global Pharmaceutical Market

As per industry estimates, the global pharmaceutical market is expected to exceed US$ 1.5 trillion by 2023 growing at a CAGR of around 6% and the key growth drivers will continue to be the US and the emerging economies with a CAGR of 4-7% and 5-8%, respectively. The growth is largely expected from the expansion of existing therapies as well as the launch of novel therapies.

Global pharmaceutical markets are in the midst of major discontinuities. New products and losses of exclusivity will continue to drive similar dynamics across developed markets, while product mix will continue to shift to specialty and orphan products. The generics drug market in the United States is expected to reach to a level of US$ 112 billion by 2022. While growth in developed markets is expected to slow down, emerging markets will become increasingly important in the coming decade. The Indian pharmaceuticals market, along with the markets of China, Brazil and Russia, will spearhead growth within these markets.

Indian Pharmaceutical Market

The Indian Pharmaceutical Market (IPM) is one of the fastest growing markets globally, growing at a rate of around 10% p.a. Globally, IPM is the largest exporter of generics, by volume, with the total Indian pharma export market estimated at around US$ 19 billion, which is in addition to the domestic market of around US$ 20 billion.

Indian pharmaceutical industry supplies around 40% of generic demand in the US and 25% of all medicines in UK. Furthermore, India accounts for around 40% of generic drug approvals in the US, based on FY17 data, thereby indicating increasing relevance of India in the global pharma market. Currently, more than 10,000 companies/firms of diverse size operate in India providing medication to a large population of around 1.3 billion.

The IPM is expected to expand at a CAGR of 22.4% over 2015–20 to reach US$ 55 billion. The growth will be characterised by increasing prevalence of chronic diseases, strong growth in GDP and incomes, rising healthcare awareness, increasing insurance coverage, and increasing government and private sector spending on healthcare apart from steady rise in disease prevalence and acceptability of modern medicines & newer therapies. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Moreover, the Ayushman Bharat - National Health Protection Scheme (NHPS), recently launched by Government of India, with a vision to provide insurance cover to an estimated 500 million individuals from nearly 100 million poor and financially vulnerable families to address the gap in the common man's access to reliable healthcare, is also a valuable opportunity to contribute towards delivering health at reasonable costs. The Indian government has allocated US$ 915 million towards NHPS in the Interim Budget for FY 2019-20, a 167% increase from the US$ 343 million in FY 2018-19.

PANACEA BIOTEC BUSINESS SEGMENTS

PHARMACEUTICAL FORMULATIONS

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

Panacea Biotec has attained 10th position in its represented Therapeutic Market and is also amongst the Top 60 Pharmaceutical Companies in the Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2019) sales data.

The Company's leading brands are well recognized and respected by the medical fraternity and command significant market share in their respective Covered Market (CVM). As per the AIOCD AWACS (MAT March 2019) sales data, the Company's top selling brands viz., **PanGraf**, **Panimun Bioral**, **Alphadol** and **Fosbait** are ranked number 1 and **Glizid**, **Glizid-M**, **Glizid-MV**, **Mycept**, **Mycept-S**, **Sitcom** and **Nimulid** are amongst the top 5 brands in their respective covered markets.

With 180th rank, **Glizid-M** features among the Top 200 brands in Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2019) sales data.

As per the AIOCD AWACS (MAT March 2019) sales data, the Company's rank in respective therapeutic category covered markets in India is as follows:

Therapeutic Category	Rank in CVM
PBL Rank in CVM	**10**
Anti-Neoplastics	3
Anti-Diabetic	18
Gastro Intestinal	8
Pain / Analgesics	8
Blood Related	9

As per the AIOCD AWACS (MAT March 2019) sales data, the Company's key brands performance in respective covered markets and their market ranking in India are as follows:

Brands	CVM	Brand Rank in CVM
Pangraf	Tacrolimus	1
Panimun Bioral	Cyclosporine	1
Alphadol	Alfacalcidol	1
Fosbait	Lanthanum Carbonate	1
Mycept	Mycophenolate Mofetil	2
Nimulid	Nimesulide	2
Glizid-M	Gliclazide + Metformin	3
Sitcom	Varicose Therapy, Systemic (Haemorrhoids/ Piles management)	3
Mycept-S	Mycophenolate Mofetil	3
Glizid-MV	Voglibose + Metformin + Gliclazide	3
Glizid	Gliclazide	4

The Company's Pharmaceutical Formulations business registered revenues of Rs.3,479.41 million in FY2018-19 as against Rs.3,839.14 million in previous financial year.

During the year, the Company's performance was affected due to continued product shortages and working capital challenges. In the current year, the Company has already taken remedial measures and has seen improved performance in the business. As a result, during the first quarter, the Pharmaceutical Formulations business earned revenues of Rs.969.47 million registering a growth of around 13% as against the revenues of Rs.857.41 million during corresponding quarter of the year under review.

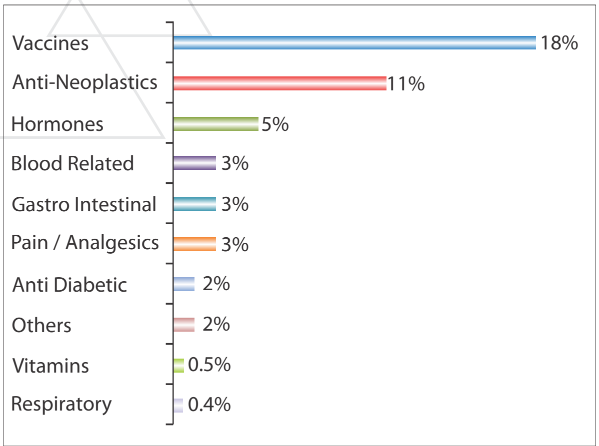
The Company has increased its footprint in international markets and is currently in the process of launching additional new products across different countries such as US, CIS countries, Brazil, Middle-East and other emerging South-East Asian Countries.

On March 25, 2019, as a part of business reorganization, the Company has decided to transfer its Pharmaceutical Formulations business including pharmaceutical formulations facility at Baddi, Himachal Pradesh and related research & development activities and natural products extraction activities of the Company to its wholly-owned subsidiary, Panacea Biotec Pharma Limited on a going concern basis through slump sale, with an objective to segregate the different businesses of the Company to ensure smooth functioning of each business in the future.

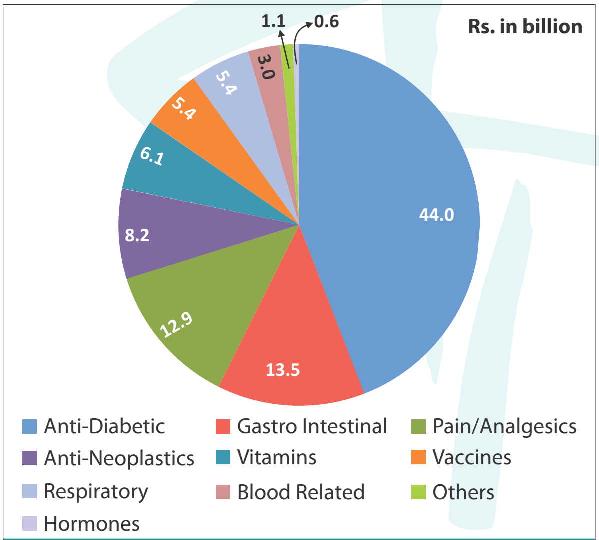
Domestic Pharmaceutical Formulations

The Company's Pharmaceutical Formulations business in India has been restructured during the current financial year and is being managed by 4 Strategic Business Units (SBUs) - 2 SBUs for Super-Specialty Business viz. Transplantation & Immunology and OncoTrust and 2 SBUs for Acute & Chronic Care Business viz. Diacar Alpha and Procare.

As per AIOCD AWACS (MAT March 2019) sales data, therapeutic category wise Company's market share in respective CVM and sales in India is as under:



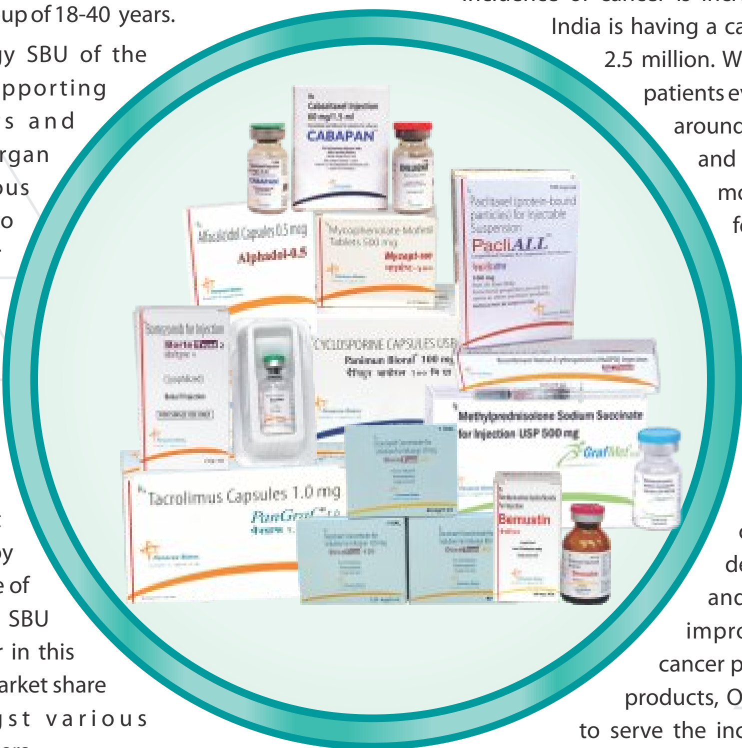
PBL Market Share in Therapy CVM



Therapy wise Sale in CVM

Transplant & Immunology SBU

India has made significant progress in the field of Solid Organ Transplantation. India has a poor Organ Donation Rate with only 0.26 per million compared to 26 per million in US and 35.3 per million in Spain. There is a need of roughly 200,000 Kidneys, 50,000 Livers and 50,000 Hearts for Transplantation per year whereas only 1,100 undergo a Liver Transplant, 7,000 undergo Kidney Transplant and 15 undergo Heart Transplant. As per a study conducted by an NGO, the number of youths pledging their organs has increased manifold. 81% of the pledges for Organ Donation signed between 2010 and 2018 were by those in the age group of 18-40 years.



Transplant & Immunology SBU of the Company has been supporting transplant recipients and promoting cadaveric organ donation through various initiatives, 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 Transplant & Immunology SBU has been to provide high-quality medicines at an affordable cost thereby improving the quality of life of transplant recipients. The SBU continues to be the leader in this market since 2008 with a market share of over 24% amongst various multinational and local players.

The main brands of the SBU viz. **PanGraf**, **Panimun Bioral**, **Alphadol**, **Mycept** and **Mycept-S** continue to maintain leadership position in their respective covered markets, as per the AIOCD AWACS (MAT March 2019) 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 2019) sales data.

The SBU has other established brands such as Fosbait (Hyperkalaemia), Renhold (Anabolic Agents) & VagaCyte (Anti-Infective) with an aim to provide complete and holistic management of all aspects of solid organ transplantation.

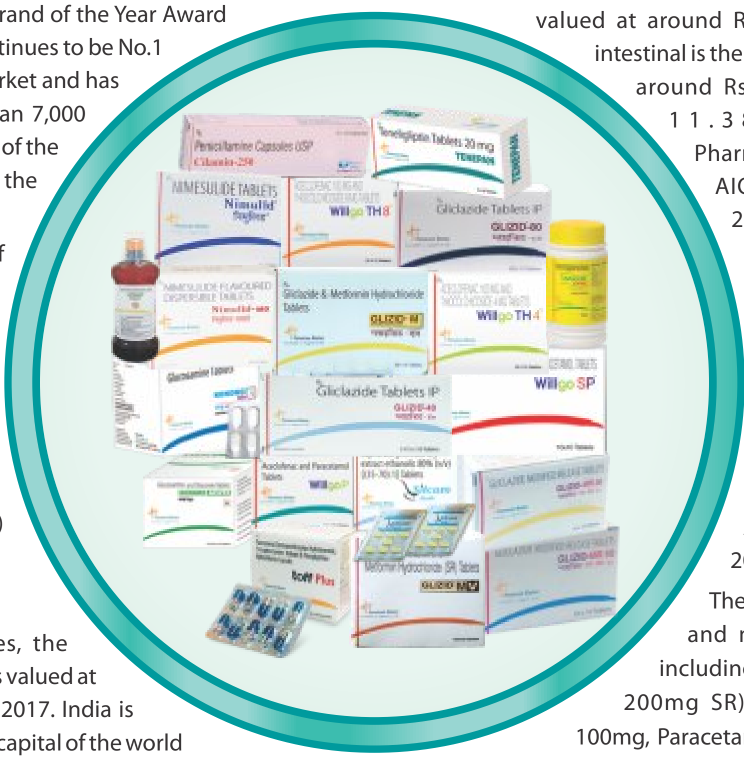
OncoTrust SBU

Incidence of cancer is increasing alarmingly in India. India is having a cancer population of around 2.5 million. With over 7 lakh new cancer patients every year, cancer mortality is around 5.56 lakh in a year. Breast and cervical cancer are the two most common cancers among females and oral cavity and lung cancer among males. These four cancers account for more than 50% of all cancer deaths in India.

Panacea Biotec through its OncoTrust SBU has established itself as an organization aiming to deliver quality, contemporary and affordable medicines to improve the quality of life of cancer patients. With its portfolio of products, OncoTrust is well positioned to serve the increasing number of cancer survivors in the country. With a dedicated field force across the country, it is covering almost 1,300 Oncologist and all major Government and Corporate hospitals.

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, continues to be No.1 brand in nab-paclitaxel market and has saved the lives of more than 7,000 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 **Bemustin** (Bendamustine Hydrochloride), **DoceTrust** (Docetaxel Trihydrate), **GemTrust** (Gemcitabine Hydrochloride) and **BorteTrust** (Bortezomib) injections.



Diacar Alpha SBU

As per industry estimates, the Indian Diabetes Market was valued at around US$ 1.60 billion in 2017. India is considered as the diabetes capital of the world with over 75 million diagnosed diabetics. Diabetes today has emerged as one of the most important risk factors for mortality and often affects other vital organs of the body like heart, eyes, kidneys, brain and nerves. The major reasons of increasing diabetes incidence in India include increasing obesity, rising stress levels and absence of proper physical exercise. The growing awareness regarding the symptoms of diabetes and its adverse health effects have largely intensified the diagnosis and drug treatment rates in the country. This is the major growth-driving factor for the diabetes market in India. In future, the Diabetes market is expected to exceed US$ 4.2 billion by 2023.

With a dedicated marketing and sales team of more than 350 people, Diacar Alpha SBU focuses on specialties such as Endocrinologists, Diabetologists, Cardiologists and Physicians in a fiercely competitive anti-diabetic market. Diacar Alpha SBU has around 24% market share as per the AIOCD AWACS (MAT March 2019) sales data.

The flagship brands of Diacar Alpha SBU, **Glizid-M**, **Glizid** and **Glizid-MV** are amongst top 5 brands in its market segment. Glizid-M is ranked at No. 180 amongst the Top 200 brands in the Indian Pharmaceutical 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 chronic diseases management drugs market in India is valued at around Rs.427 billion. The Gastro-intestinal is the 3rd largest therapy valued at around Rs.149 billion contributing 11.38% to the Indian Pharmaceutical Market as per AIOCD AWACS (MAT March 2019) sales data and is growing at 8.8% on MAT basis.

The Procare SBU has established its flagship brands **Sitcom** and **Livoluk** amongst the top 5 brands in their respective CVM as per the AIOCD AWACS (MAT March 2019) sales data.

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) intended for Pain Management in patients suffering from Rheumatoid Arthritis and Arthritis.

CUBE SBU

The Capacity Utilization & Business Enhancement (CUBE) SBU is playing an important role in the Company's overall pharmaceutical business. The SBU aims to enhance capacity utilization by exploring contract manufacturing operations for third party products. As a strategic policy, the Company has decided to discontinue out-licensing of its own products to third parties in a phased manner and focus more on in-licensing of third party products for US and other international markets.

International Pharmaceutical Business

The Company exports its pharmaceutical formulations in around 30 countries including US, Germany, Russian Federation, Turkey, Tanzania, Kenya, Syria, Serbia, Vietnam, Philippines, Sri Lanka, Panama and Ecuador etc. The Company has taken necessary steps to strengthen and grow its exports in the coming years including strengthening marketing team, entering into newer markets, 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

EasySix™ Vaccine One year celebration at Chandigarh on April 03, 2018

Company has consolidated its international pharmaceutical business by eliminating loss making products, markets etc.

During the year, the revenues from exports have been Rs.894.88 million. The Company has improved sale of Rizatriptan Oral Dispersible Tablets and Prasugrel HCL in US markets through strategic partners in US. The Company faced supply challenges from the raw material supplier of tacrolimus because of which it could not sustain and improve the sales of tacrolimus in the US and other international markets.

The Company has entered into a tripartite agreement with Natco Pharma Ltd. and Breckenridge Pharmaceutical Inc. 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 commercial supplies have commenced during first quarter of the financial year 2019-20.

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 has been accepted for filing by the U.S. Food and Drug Administration (USFDA). 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 pharma companies.

During the year, the Company along with its partner, Apotex Inc. and Apotex Corp. (Apotex) has entered into a Settlement Agreement with Celgene Corporation, a global biopharmaceutical company headquartered in US and its subsidiary Abraxis BioScience, LLC, for settlement of disputes regarding patents covering Abraxane® drug product and the Company's ANDA for paclitaxel protein bound particles for injectable suspension, 100mg/vial, a generic version of Abraxane®. As part of the Settlement Agreement, Panacea Biotec and Apotex have received a non-exclusive license under which Panacea Biotec may, through its partner Apotex, begin selling Panacea Biotec's generic version of Abraxane® in the US and its territories on a mutually agreed-upon date, and also in certain jurisdictions outside of the US on a mutually agreed-upon date. As a part of the settlement, the Company has also received an amount of Rs.206.59 million as its share of Litigation Avoidance Fee.

During the year, the Company's manufacturing 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 oncology facility at Baddi, Himachal Pradesh have been found consistently complying with the Good Manufacturing Practices.

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 and aims to improve the accessibility and affordability of medicines as the Company's contribution to Government of India's "MAKE IN INDIA" mission.

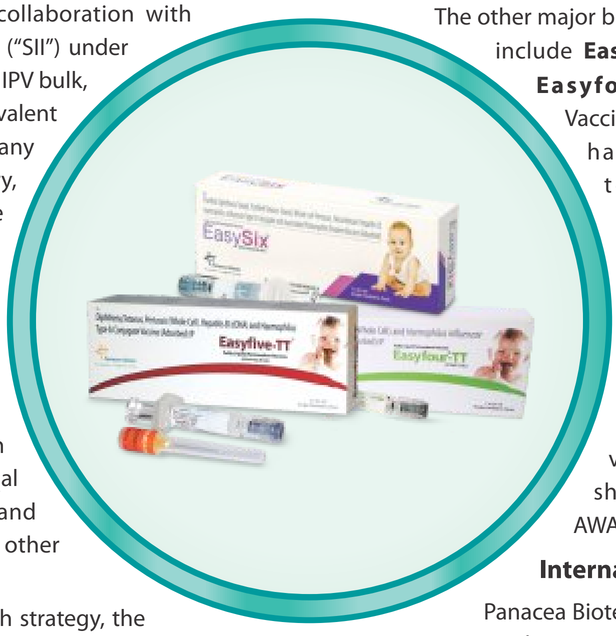
The Company has received the registration of Bendamustin (first oncology registration) in Syria and launched in-housed developed product Sitcom (for hemorrhoids) in Zambia and Uzbekistan.

VACCINES BUSINESS

Panacea Biotec continues to focus on vaccines as a core business segment. The Company has pioneered in 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) and tetravalent vaccine **Easyfour-TT** (Diphtheria, Wholecell Pertussis, Tetanus and Hib) in India in March 2017 and December 2016, respectively. Earlier the Company had launched first time in the world fully liquid pentavalent vaccine **Easyfive-TT** (Diphtheria, Wholecell Pertussis, Tetanus, Hepatitis B and Hib), bivalent Oral Polio Vaccine (bOPV) and Monovalent Oral Polio Vaccine (mOPV) (Type I & Type III).

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. The Company has been supplying bOPV to Govt. of India from its Baddi vaccine plant. During the year, the revenues from vaccines business has been Rs. 962.10 million.

The Company has a strategic collaboration with Serum Institute of India Pvt. Ltd. ("SII") under which, (a) SII will ensure supply of IPV bulk, an important constituent of hexavalent vaccine, EasySix™ to the Company from its wholly owned subsidiary, Bilthovan Biologicals B.V., The Netherlands; (b) SII is also entitled to manufacture & sell hexavalent vaccine; and (c) the Company and SII will work together to get this Hexavalent Vaccine introduced in the developing countries by working closely with key stakeholders including national governments, WHO, GAVI, Bill and Melinda Gates Foundation and other United Nation Agencies, etc.



As a part of the long-term growth strategy, the Company is now expanding its sales of hexavalent vaccine EasySix™ in India and is expediting development of other critical vaccines including the pneumococcal and dengue vaccine which are expected to be launched during the year 2022.

Panacea Vaccines SBU

Domestic Vaccine market in India is estimated to be Rs.21.27 billion in FY 2018-19. Panacea Biotec is one of the leading players in Vaccine therapeutic category in India. The Company's Vaccine Business in India is managed by Panacea Vaccines SBU. Panacea Vaccine has registered a strong Y-O-Y growth of 48% as per AIOCD AWACS (MAT March 2019) sales data and has consistently improved its rank and market share in Vaccine therapeutic category since last three years.

Panacea Biotec continues to protect millions 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 Vaccine SBU has improved its market ranking to No. 3 in its covered market as per AIOCD AWACS (MAT March 2019) sales data.

Innovation is proven to be the backbone for Panacea Biotec, which helped the SBU to outperform in Vaccine therapeutic category. The Company's innovative Vaccine brand **EasySix™**, world's first fully liquid wP-IPV based Hexavalent Vaccine (DTwP-HepB-Hib-IPV), is one the most phenomenal success for Panacea Biotec in the Indian Vaccine Industry. As per AIOCD AWACS (MAT March 2019) unit sales data, **EasySix™** became the market leader in hexavalent vaccine market in India and is expected to maintain its market leader position along with strong growth.

With 204th rank, **EasySix™** features among the Top 250 brands in Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2019) sales data.

The other major brands in the SBU's brand portfolio include **Easyfive-TT** (DTwP-HepB-Hib) and **Easyfour-TT** (DTwP-Hib). Panacea Vaccines is the only vaccine SBU which has the wP based fully liquid tetravalent, pentavalent & hexavalent vaccines in India.

The flagship brand **EasySix™** is ranked among the Top 2 new launches in IPM as per AIOCD AWACS (MAT March 2019) sales data and also attained No. 1 rank in units sale in the hexavalent vaccine category with market share of 37% as per the AIOCD AWACS (MAT March 2019) sales data.

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,

Dr. Rajesh Jain, Managing Director at 2nd CII National Biotechnology Conclave at New Delhi on November 22, 2018

international alliance of manufacturers, and shares common vision and mission of combating infectious diseases and accelerating access to affordable high-quality vaccines.

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.

The Company has a strong logistics network comprising of 2 Central Warehouse and 25 sales depots/Carrying & Forwarding Agents (CFAs) (comprising of Pharma Sales Depots/CFAs & Vaccine CFAs). Product availability across India is done through vast distributor network of 1,500 distributors for pharmaceutical formulations and 385 distributors for vaccines.

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.

The Company has strengthened its Track and Trace System and documentation quality to ensure that goods reach destination timely and to avoid demurrage and detention charges. The Company has optimized raw material, packaging material, finished good inventory to achieve maximum inventory turn and to minimize expiry. The Company is continously providing training to SCM team on good distribution practices to meet emerging requirements of domestic and international markets.

MANUFACTURING FACILITIES

Panacea Biotec has state-of-the-art cGMP compliant integrated facility for manufacturing drug substances for vaccines and biosimilars at Lalru in Punjab and for manufacturing vaccines and pharmaceutical formulations at Baddi, Himachal Pradesh. The manufacturing facilities have been set up in compliance with international regulatory standards including USFDA, WHO cGMP and European Union standards.

The Company's manufacturing expertise lies in various oral solid, semi-solid, cytotoxic injectable, 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 tablets, 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;
- Vaccines – recombinant, bacterial, viral, combination formulations, cell culture; and
- Cytotoxic - injectable.

Pharmaceutical Formulations Facility at Baddi

The Company's state-of-the-art pharmaceuticals formulations facility at Baddi, Himachal Pradesh became operational in year 2006. The facility has been audited by Indian NRA, USFDA, Health Authority Saarland, Germany and Envisa of Brazil, etc.

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. Oncology facility is equipped for manufacturing conventional and technology based injections e.g. nano-particle and liposomal lyophilized products.

Vaccines Formulation Facility at Baddi

The Company's state-of-the-art vaccines formulations facility at Baddi, Himachal Pradesh which started its operations in year 2008 is comprised of two blocks.

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 has large lyophilization capacity for lyophilized vaccines in vials. This facility is approved and pre-qualified by WHO for pentavalent vaccine Easyfive-TT & bOPV. The facility is licensed to produce 12 vaccines in different presentations for Indian and export markets.

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 facility at Lalru, Punjab

The Company has manufacturing facilities with 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. During the year, the Company has consolidated the drug substance for vaccine manufacturing operations into itself which was earlier being carried on by its Associate Company, PanEra Biotec Pvt. Ltd.

RESEARCH & DEVELOPMENT

Research & Development is one of the core strengths of Panacea Biotec. With its state-of-the-art R&D Centers manned with around 50 qualified and experienced scientists committed towards solving the world's problems by developing high quality and innovative drugs, the Company has built a strong R&D infrastructure to support its business segments - drug discovery, vaccines, pharmaceutical formulations and biosimilars. The Company is working on several key projects in NCEs, APIs, pharmaceutical formulations, biopharmaceuticals and vaccines. All the R&D centers are recognized by the Department of Scientific and Industrial Research (DSIR) of the Govt. of India.

During the year, with a view to optimize costs and resources, the Global Research and Development (GRAND) Center at Navi Mumbai has been relocated and merged into Sampann R&D Center at Lalru, Punjab and the OneStream Research Centre at New Delhi and Laksh Drug Discovery R&D Center at Mohali have been shifted to Lalru, Punjab.

The Company continues to focus on Research & Development in the fields of:

(I) Oncology, Organ Transplantation, CNS and hormonal products amongst others for the global markets. In this area, the capabilities include delivery conceptualization

SAMPANN Drug Delivery Research and Development Centre, Lalru to pharmaco-kinetic (PK) proof of concept in areas of nano-particles, liposomes, micro-particles, gastro retention and oral films;

(ii) pharmaceutical research using different innovative technologies like 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;

(iii) new chemical entities (NCEs, small molecules) and API Research (developing non-infringing API processes for NCEs and generic products for captive consumption); and

(iv) novel and efficacious vaccines and biologicals against various epidemic/endemic diseases for global market.

The Company's Sampann R&D Centre at Lalru is in advanced stage of development of new products for domestic & ROW markets in the therapeutic segments of immuno-suppressant, diabetes, pain management and oncology, etc.

In the field of NCE Research, the Company has successfully developed three pre-clinical candidates (PCCs), two of which are currently under investigation for IND (Investigational New Drug) filing at different stages of phase I studies in India. In diabetes, phase I trials of one of the NCEs for IR (immediate release) have been completed and the Company has developed a formulation resulting in convenient dosing regimen for better compliance by the patient. The other NCE is undergoing phase I directed safety evaluation. New areas in diabetes are being explored.10 PCT applications and more than 50 patent applications in national phases have been filed by the Company in respect of NCE Research out of which many patents have already been granted in the US (5), Europe (4), India (2) Japan (1), Russia (1) and China (1).

With regard to the vaccine development, the Company focuses on providing cost effective products and process development complying with all regulatory requirements. The R&D activities are dedicated to carry out research in vaccines using advanced genetic engineering, molecular biology, genomics tools, animal cell culture, fermentation, purification, serological and analytical techniques. 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 vaccine, Varicella vaccine and fully indigenous wP based pentavalent vaccine.

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.

Phase I/II Studies on novel Tetravalent Dengue Vaccine & Phase I Studies on 11 Valent Pneumococcal Conjugate Vaccine have already begun. Subsequently, Phase III Studies on these Vaccines will be carried out in near future. Clinical Dossier for Phase I Typhoid Conjugate Vaccine has been submitted with the Indian NRA.

In the pharmaceutical domain, bio-equivalence (BE) studies with respect to Cyclosporine Capsules have been successfully completed during the year. Additional BE studies for international markets with respect to Tacrolimus ER, Everolimus, Mycophenolate Suspension, Vildagliptin & Vildagliptin Metformin Combination are slated to be carried out during the current financial year.

During the year, the Company has received approval from Indian NRA for conducting Phase III clinical trials on pharmaceutical formulations of Sitcom + Lidocaine ointment and Aceclofenac ointment. Active Pharmaco-vigilance Surveillance Study involving Pediatric Combination Vaccines such as Easyfour-TT & EasySix™ are being carried out during the current financial year.

Intellectual Property

The Company has a strong portfolio of intellectual property in the form of patents, trade marks and copy rights. As on March 31, 2019, Panacea Biotec has been granted 448 patents including 65 patents in India for different formulation products/new drug delivery technologies/new chemical entities etc. The Company has 114 patent applications under processing including 22 patent applications in India as on that date.

The Company has been grated 848 trademark registrations out of which 383 have been registered outside India. In addition, the Company has 199 trademark applications pending for registration including 96 applications filed in international markets. The Company has 167 registered copyrights as on March 31, 2019.

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, the 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 and thus the growth of the people and the business is a simultaneous process. Accordingly, the Company has created a work culture representing a unique mix of its values and functional expertise.

As on March 31, 2019, the Company has a total manpower of around 2,600 employees (including around 350 employees through contractors). There are around 50 scientists engaged in R&D Centers, around 675 employees engaged in Production, Quality Control & Quality Assurance and around 1,000 employees engaged in Logistics, Sales & Marketing.

The Human Resources team continuously works towards getting talented people onboard thereby establishing strong brand image of the organization. The team also aims to become progressive and employee centric and has conducted several employee engagement activities across locations like New year celebration, Dussehra, Diwali, Christmas, Baisakhi, Lohri, Holi, etc. leading to increased job satisfaction, efficient working and ethical organizational culture.

Information Technology

Panacea Biotec uses fully integrated SAP System as its Enterprise Resource Planning System. Sales and marketing team uses Sales Force Automation Platform for effective tracking & analysis of actual field force activities against plans and tracking of secondary sales of our stockiest. The Company aims to bring data, analytics and insights to sales & marketing teams to set up an analytics-driven marketing operations leveraging technology to offer targeted content experiences for health professionals and patients and make their interactions with the customers more personalized.

The Company has installed various tools to protect its network and data from external threats and has upgraded the firewall and intrusion protection architecture to enhance the network security. The Company is now working to transform its enterprise IT Infrastructure to implement best practices in Network Security to make its IT Infrastructure highly secure to prevent any kind of cyber security risks to business continuity, and also improve its capabilities to quickly detect, investigate and remediate any kind of security breaches.

Internal Audit & Internal Financial Control System

Panacea Biotec has a comprehensive internal control system that commensurate with its size and nature of operations. These cover 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 level 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.

Further, internal audits are conducted periodically by independent Chartered Accountant firms. The Audit Committee actively reviews the adequacy and effectiveness of internal controls, internal audit systems and advises improvements as may be required. Post audit follow-ups are carried out to ensure identified risks are addressed and recommendations of the Audit Committee are implemented.

The Company has established and maintained adequate and effective internal financial controls over financial reporting (IFCoFR) in accordance with the framework, which includes policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

FINANCIAL PERFORMANCE

Summarized Balance Sheet

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity & Liabilities:		
Shareholders' Funds	4,184.72	3,880.97
Non-current liabilities	1,024.77	6,001.24
Current liabilities	7,010.67	6,852.67
Liabilities directly associated with discontinued operations	2,200.19	-
Total Liabilities	14,420.35	16,734.88
Assets:		
Fixed assets	4,995.42	9,280.89
Financial assets	40.56	3,461.21
Other non-current assets	223.30	456.27
Current assets	1,084.55	3,536.51
Asset classified as held for sale and discontinued operations	8,076.52	-
Total Assets	14,420.35	16,734.88

Shareholders' Funds: The Company's Shareholders' funds were Rs.4,184.72 million as at March 31, 2019 as compared to Rs.3,880.97 million as at March 31, 2018.

Non-current Liabilities: Non-current liabilities include long-term borrowings (excluding current maturities), provisions and other non-current liabilities. The non-current liabilities as at March 31, 2019 were Rs.1,258.23 million (including Rs.1,024.77

for continuing operations and Rs.233.46 million pertaining to discontinued operations) as against Rs.6,001.24 million as at March 31, 2018. The same have been declined mainly on account of decrease in long-term borrowings due to reclassification of the ECB and other long-term bank debts as current on account of settlement and payment of debts in April 2019.

Current Liabilities: Current liabilities include short-term borrowings, trade payables and other current financial liabilities (including current maturities of long term borrowings). The current financial liabilities as at March 31, 2019 have increased to Rs.8,977.41 million (including Rs.7,010.67 million for continuing operations and Rs.1,966.74 million for discontinued operations) as compared to Rs.6,852.67 million as at the end of previous year, mainly due to reclassification of long term debts into short term debts.

Liabilities directly associated with discontinued operations: This represents liabilities directly pertaining to the Company's pharmaceutical business (being transferred to Panacea Biotec Pharma Ltd. as a going concern) and 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, 2019 were Rs.2,200.19 million out of which Rs.2,183.39 million pertains to pharmaceutical business and Rs.16.80 million pertains to real estate undertaking.

Fixed Assets: The net fixed assets have decreased to Rs.8,232.42 million (including Rs.4,995.42 for continuing operations and Rs.3,237.00 million pertaining to discontinued operations) as against Rs.9,280.89 million as at the end of previous year mainly due to depreciation charged during the year.

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, 2019 were Rs.3,433.54 million (including Rs.40.56 million for continuing operations and Rs.3,392.98 million pertaining to discontinued operations) as against Rs.3,461.21 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, 2019 have increased to Rs.481.02 million (including Rs.223.30 for continuing operations and Rs.257.72 million pertaining to discontinued operations) as against Rs.456.27 million as at the end of previous year mainly due to 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 decreased to Rs.2,273.34 million (including Rs.1,084.55 for continuing operations and Rs.1,188.79 million pertaining to discontinued operations) as at the end of fiscal 2019 as compared to Rs.3,536.51 million as at the end of previous year mainly due to decrease in the inventories, trade receivables and other current assets.

Summarized Statement of Profit & Loss

(Rs. in million)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Continuing operations:		
Revenue from operations	962.10	1,839.80
Materials & Finished Goods Purchases	764.28	883.39
Employee benefits expense	411.58	359.72
Other expenses	1,252.87	677.74
Finance Costs	1,046.33	1,032.28
Depreciation and amortization expense	330.30	336.94
Other Income	35.25	125.01
Profit/ (Loss) before tax and exceptional items	(2,808.01)	(1,325.26)
Exceptional items	3,133.49	-
Profit/ (Loss) Before Tax	325.48	(1,325.26)
Provision for Taxes (including deferred tax)	106.08	106.42
Profit/(Loss) After Tax from continuing operations	219.40	(1,431.68)
Profit/(loss) after tax from discontinued operations	46.30	712.92
Other comprehensive income (net of tax)	(6.51)	(14.16)
Total comprehensive income	259.19	(732.92)
Basic & Diluted EPS* from continuing operations	3.58	(23.37)
Basic & Diluted EPS* from discontinued operations	0.76	11.64
Total Basic and Diluted EPS*	4.34	(11.73)

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

Income from Continuing Operations

Revenue from Operations: During the year, the Company's revenue from continuing operations decreased to Rs.962.10 million as compared to Rs.1,839.80 million during previous financial year. The revenues from operations have decreased mainly due to decline in the institutional vaccine business owing to intense price competition and low margin.

Other Income: Other income has decreased to Rs.35.25 million during FY2018-19 as compared to Rs.125.01 million in previous financial year, mainly on account of lower rental income and adjustment of provision on interest on loans receivables.

Expenditures for Continuing Operations

Materials & Finished Goods purchases: The raw & packing materials and finished goods purchases during the year have decreased to Rs.764.28 million as against Rs.883.39 million during the previous financial year due to decreased sales.

Employee benefits expenses: The employee benefits expenses have increased to Rs.411.58 million during FY2018-19 from Rs.359.72 million during FY2017-18, mainly due to increased manpower and higher provisioning of expenses.

Other Expenses: The other expenses have increased to Rs.1,252.87 million during FY2018-19 from Rs.677.74 million during previous financial year. The increase in other expenses is primarily due to higher provisioning and write offs of unrecoverable assets and advances etc.

Finance costs: Finance costs comprising of interest and bank charges have marginally increased to Rs.1,046.33 million during FY2018-19 as against Rs.1,032.28 million during FY2017-18.

Depreciation and amortization expenses: Depreciation for the year was Rs.330.30 million as compared to Rs.336.94 million during previous financial year.

Profit/(Loss) Before tax and exceptional items: The Company's loss before tax and exceptional items has increased to Rs.2,808.01 million as against Rs.1,325.26 million during FY2017-18 on account of reasons as explained above.

Exceptional items: The Company has recorded an exceptional income of Rs.3,133.49 million during the financial year under review towards reversal of excess liabilities and interests pursuant to the one time settlement agreed with the lenders on bilateral basis.

Profit/(Loss) Before Tax (PBT) after exceptional item: The Company has registered profit before tax of Rs.325.48 million during the fiscal 2019 as against loss of Rs.1,325.26 million for fiscal 2018.

Profit/(Loss) After Tax (PAT): The profit after tax for the year was Rs.219.40 million as against loss of Rs.1,431.68 million during fiscal 2018.

Profit/(Loss) from discontinued operations

The net profit from discontinued operations has decreased to Rs.46.30 million during FY2018-19 from Rs.712.92 million during FY2017-18 mainly on account of decline in revenues and increased expenses.

Other comprehensive income

Other comprehensive income 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 Rs.3.58 per share as against negative EPS of Rs.23.37 per share for fiscal 2018.The basic and diluted EPS from discontinued operations was Rs.0.76 per share as against Rs.11.64 per share for fiscal 2018. Overall basic and diluted EPS from continuing and discontinued operations was Rs.4.34 per share as against negative EPS of Rs.11.73 per share for fiscal 2018.

Cash Flow Statement

(Rs. in million)

	Fiscal 2019	Fiscal 2018
Cash Flows from:		
Operating Activities	1,071.55	1,720.59
Investing Activities	(83.31)	(27.30)
Financing Activities	(984.54)	(1,636.68)
Cash & Cash Equivalent at the end	49.58	65.24

Cash Flow from Operating Activities: The net cash inflows from operating activities during financial year 2018-19 were Rs.1,071.55 million as compared to Rs.1,720.59 million during financial year 2017-18. The net cash inflows from operating activities have decreased due to decrease in revenues from operations and increased expenses during the year.

Cash Flow from Investing Activities: During the year, the net cash used in investing activities were Rs.83.31 million as against Rs.27.30 million during previous financial year. The Company has invested funds in the product development activities and other normal capital expenditure required for business operations in the previous year.

Cash Flow from Financing Activities: Net cash outflow from financing activities were Rs.984.55 million as against Rs.1,636.68 million during previous financial year on account of payment of interest and debts during the year.

Details of Ratios

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

- Interest Coverage Ratio : 0.42 to -2.26 - Declined
- Current Ratio : 0.52 to 0.25 - Declined
- Debt Equity Ratio : 2.54 to 1.65 - Improved
- Operating Profit Margin % : 7.27 to -43.27 - Declined
- Net Profit Margin % : -12.44 to 5.98 - Improved
- Return on Net worth % : -18.52 to 6.35 - Improved

There has been a positive impact on the net profit margin, return on net worth and debt-equity ratio due to improvement in the net profits and subsequent impact on the net worth on account of reversal of excess liabilities and interest pursuant to the one-time bilateral settlements with existing lenders. The decline in interest coverage ratio and operating profit margin has been mainly due to decline in the operating revenues and higher provisioning and write-offs. The current ratio has declined due to increase in current liabilities mainly on account of the re-classification of long-term debts into current short-term debts due to the above referred settlement.

Consolidated Financial Performance

The consolidated revenues from operations of the Group has increased to Rs.4,566.96 million during FY2018-19 as compared to Rs.5,961.61 million during previous financial year. On consolidated basis, the Group has earned profit before tax (after exceptional items) of Rs.486.15 million during the year under review as against loss before tax of Rs.637.35 million during previous financial year. The consolidated profit after tax from continuing operations was Rs.409.08 million during FY2018-19 as against loss after tax of Rs.735.93 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 broad range of branded and generic pharmaceutical formulations and vaccines. The management continues to be committed to grow the Company's business building on its strong foundation and executing its pipeline of products. Execution of the pipeline is critical to ensure that the Company continues to grow its business across markets.

The Company will continue to invest in the branding and promotion of its products and funding clinical trials for the products in pipeline will continue.

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 drug substance and vaccine formulation facilities at Lalru and Baddi respectively have been set up in compliance with international regulatory standards and meet the WHO cGMP norms. The Baddi's vaccine facility has been approved by WHO for pentavalent and bivalent oral polio vaccine. The pharmaceutical formulation facility at Baddi is approved by several international regulatory agencies like USFDA, Germany etc.
- Established Brand Equity: The Company is focussing on niche therapeutic areas and has established brands enjoying leadership positions in these segments in domestic market.
- Research & Development: Panacea Biotec has strong R&D capabilities manned with around 50 scientists, duly recognised by Department of Scientific and Industrial Research (DSIR). Most of the pharma and vaccine formulations are developed in-house using advanced drug delivery system.
- Sales and Distribution Network: The Company has established network for sales and distribution of its products in India and other ROW markets with annual double digit growth rate.

Weakness

- Long Gestation Period on R&D Projects: R&D projects undertaken by the Company involve longer development time and medium to high investment. As a result of this, the present profitability is affected whereas the output may come in medium to long term future periods.
- Late Entry in the US Market: Despite having good R&D infrastructure, the Company is a laggard as far as launching of generic products going off-patent in the US market is concerned.
- High Dependence on Institutional Business in Vaccine Segment: Until 2011, the Company was deriving 70% of its revenue from institutional supplies to UNICEF/Government of India/PAHO etc. As the price unit in institutional market is showing decreasing trend over the years, the margins remain under pressure. Therefore, paediatric vaccine business for immunization programme is a high volume business. The Company has already started sale in private markets in India and other developing countries and participating in national tenders floated by different countries like Philippines, Vietnam, Iran, etc. to improve the sales and reduce its dependence on UNICEF business.
- Revenue Concentration on Few Products: In vaccine segment, the revenue generation is mainly dependent on three products i.e. pentavalent, hexavalent and oral polio vaccine. Any future disruption in any of these products may impact the future financial performance.
- Under-utilized Infrastructure: The Company has set up vaccine facility at Baddi and drug substance manufacturing facility at Lalru for vaccines. Due to delisting, the Company was not able to leverage this infrastructure. In the pharma segment, some of the production lines are not fully utilized even on single shift working basis.

Opportunities

- To improve Capacity Utilization: The Company has an opportunity to improve its plant utilization levels with the receipt of WHO PQ for pentavalent vaccine for which Baddi vaccine plant was set up. Similarly, the Company expects to improve the capacity utilization of pharma production lines by launching new products in US and ROW markets and also through contract manufacturing. The Company has already filed 6 Abbreviated New Drug Applications (ANDAs) with the USFDA out of which 3 have already been approved & commercialized and 3 are under approval. The Company is working on more ANDAs to be filed in due course. Similarly, the Company is also undertaking select contract manufacturing, which has a potential for a significant upside.
- Products in Pipeline for Commercial Launch: The Company is having around 25 products currently under different stages of development for domestic and international market. These products will also get launched in the next 2-3 years' time. The Company is targeting on improving the product range in vaccine segment and is working on development of vaccines like Pneumococcal, Dengue, Typhoid Conjugate, etc.
- 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 3rd party suppliers and ensuring higher quality controls as well as improving contribution.

Threats

- Dependence on few imported suppliers in drug substance. However, the Company 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. Recently, the Government has introduced new pricing policy for 348 products fixing the ceiling prices.
- 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. Recently, 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 has successfully passed USFDA audit thrice in last 3 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

Pharma Business

- *Short-term (1-2 years):*
  - ✔ Growth in Branded Formulations exports to ~30 Emerging Markets.
  - ✔ Scaling up of existing niche generic business in US.
  - ✔ Growth in domestic Branded Formulation business by increase in Per Man Per Month Productivity.
  - ✔ Increase Patient connect for sustainable growth.
  - ✔ Initiating registration of PacliAll in EU, Japan, Emerging and Developing Countries.
- *Medium Term (3-5 years):*
  - ✔ Launch of PacliALL, Cyclosporine and other ANDAs in US market under existing collaborations with Apotex, Bionpharma Inc. etc.
  - ✔ Launch of ~25 branded New Products in existing and new emerging markets.
  - ✔ Launch of ~16 branded new Products in India.
  - ✔ Emerging Market partners will have access to Brand Building, sales force effectiveness processes.
- *Long Term (5 years+)*
  - ✔ Launch of ~5 ANDAs in US market every year.
  - ✔ Launch of products in EU and Japanese markets.
  - ✔ Launch of 10 new products in Domestic, Emerging and Developing Countries every year.

Vaccine Business

- *Short-term (1-2 years):*
  - ✔ Scaling up EasySix™ vaccine sales in Private Market in India with target of catching up 1 million new born babies/year.
  - ✔ Participation in institutional business for Easyfive-TT vaccine.
  - ✔ Launch of Typhoid Conjugate Vaccine in India.
- *Medium Term (3-5 years):*
  - ✔ Introduction of EasySix™ vaccine in UNICEF/PAHO Program, private markets and National Program of Developing Countries.
  - ✔ Launch of DengiAll™ Dengue Vaccine in India.
  - ✔ Launch of NucoVac™ Pneumococcal Vaccine in India (Private and National Program).
- *Long Term (5 years+)*
  - ✔ Scale up of Sales of DengiAll™ vaccine and NucoVac™ vaccine in Private Market and Developing Countries National Program etc.
  - ✔ Launch of Niche private market Branded Vaccines which are currently under advanced stage of pre-clinical studies in India and Developing Countries.

Safety, Health and Environment Protection

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 Environment & Occupational Health and Safety (EOHS) Protection 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. The Company regularly takes initiatives towards fulfilling its corporate social responsibility including patients' awareness/assistance programs for prevention, detection and management of critical diseases including cancer, renal diseases and diabetes.

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 35th 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, 2019.

Financial Results

The highlights of financial results of the Company are as under:

(Rs. in million)

Particulars	Standalone	
	2018-19#	2017-18##
Revenue from operations	4,441.63	5,775.54
Other Income	81.20	176.16
Total Income	4,522.83	5,951.70
Earnings/(Loss) Before Interest, Tax, Depreciation & Amortisation (EBITDA)*	(1,384.88)	990.41
Profit/ (Loss) before exceptional items and tax	(2,968.29)	(612.34)
Exceptional items	3,340.08	-
Profit/(Loss) before Tax (PBT)	371.78	(612.34)
Profit/(loss) after tax	265.70	(718.76)
Total comprehensive income	259.19	(732.92)

 # Include figures for the discontinued operations

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

** Includes Other Income*

Performance Highlights

During the year ended March 31, 2019, the Company has registered revenue from operations of Rs.4,441.63 million as against Rs.5,775.54 million during the corresponding previous financial year. However, in view of the proposed transfer of pharmaceutical formulations business including related research and development activities and natural products extraction activities ("Pharma business") to the Company's wholly owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") and proposed demerger of real estate undertaking including investment in Radhika Heights Limited into the Company's wholly owned subsidiary, Ravinder Heights Limited ("RVHL"), the activities of the Pharma business as well as the income from real estate activities of the Company, that are considered as disposal group, have been presented as a discontinued operation in the Standalone Financial Statements of the Company in accordance with the applicable accounting standards. The Company has earned revenue from operations of Rs.3,479.53 million (previous year Rs.3,935.74 million) from such discontinued operations. The revenue from continuing operations have been Rs.962.10 million as against Rs.1,839.80 million during corresponding previous financial year.

The pharmaceutical formulations segment registered a turnover of Rs.3,479.41 million as against Rs.3,839.14 million during the previous financial year. The vaccines segment registered a turnover of Rs.962.10 million as against Rs.1,839.80 million during the previous financial year. The Research & Development segment earned revenue of Rs.0.12 million as against Rs.96.60 million during the previous financial year. The Company's total export revenue was Rs.1,065.58 million as compared to Rs.1,675.30 million in the previous financial year.

The Company has earned profit before tax of Rs.371.78 million as against net loss before tax of Rs.612.34 million in the previous financial year. The Company has earned profit after tax and exceptional items of Rs.265.70 million as against loss after tax of Rs.718.76 million in the previous year. Profit after tax from continuing operations was Rs.219.40 million as against loss after tax of Rs.1,431.68 million during previous financial year. Profit after tax from discontinued operations was Rs.46.30 million as against Rs.712.92 million during previous financial year.

During the year ended March 31, 2019, the Group has registered consolidated revenue from operations of Rs.4,566.96 million as against Rs.5,961.61 million during the previous financial year. On consolidated basis, the Group has earned profit before tax (after exceptional items) of Rs.486.15 million during the year under review as against loss before tax of Rs.637.35 million during previous financial year. The consolidated profit after tax was Rs.409.08 million during FY2018-19 as against loss after tax of Rs.735.93 million during previous financial year.

During the year under review, your Company along with its partner, Apotex Inc. and Apotex Corp. (Apotex) have entered into a Settlement Agreement with Celgene Corporation, a global biopharmaceutical company headquartered in USA and its subsidiary Abraxis BioScience, LLC, for settlement of disputes regarding patents covering Abraxane® drug product and the Company's Abbreviated New Drug Application (ANDA) for paclitaxel protein bound particles for injectable suspension, 100mg/vial, a generic version of Abraxane®. As part of the Settlement Agreement, Panacea Biotec and Apotex have received a non-exclusive license under which Panacea Biotec may, through its partner Apotex, begin selling Panacea Biotec's generic version of Abraxane® in the U.S. and its territories on a mutually agreed-upon date, and also in certain jurisdictions outside of the U.S. on a mutually agreed-upon date. As a part of the settlement, the Company has also received an amount of Rs.206.59 million as its share of the Litigation Avoidance Fee.

Your Company has also entered into a tripartite agreement with Natco Pharma Ltd. ("Natco") and Breckenridge Pharmaceutical Inc. ("Breckenridge") for the manufacture and supply of Azacitidine Injection for the U.S. market under Breckenridge's already-approved ANDA. Under the terms of the agreement, Natco has provided the technology for manufacturing Azacitidine to Panacea Biotec's facility located at Baddi, Himachal Pradesh, India. Panacea Biotec will be responsible for manufacture and supply of the product, which will be marketed, sold and distributed by Breckenridge in the U.S. The Company has received USFDA approval for this product and has launched the same in USA during current financial year through Breckenridge.

Further, during the current financial year, India Resurgence Fund ("IndiaRF"), promoted by Piramal Enterprises Limited and Bain Capital Credit, along with its affiliates has committed an investment of upto Rs.9,920 million in the Company. This investment is structured by way of Non-Convertible Debentures (NCDs) of up to Rs.8,640 million and subscription amount of Rs.320 million towards share warrants allotted on a preferential basis. The 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

Directors' Report

of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

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.

A detailed discussion on operations for the year ended March 31, 2019 is given in the Management Discussion and Analysis Report forming part of the Annual Report.

Credit Rating

During the year, the Credit Analysis & Research Ltd. (CARE) has reaffirmed the credit rating of CARE D (Single D) for Long Term Bank Facilities and for Short Term Bank Facilities of the Company due to delays in repayment of the debt obligations of the Company. With the improvements in the financial position and operational performance of the Company during the current year, the rating agency will review the rating in due course of time.

Dividend and Transfer to Reserves

Though the Company has earned profits after tax and exceptional items of Rs.265.70 million during the year but keeping in view the fact that the Company has incurred losses before tax & exceptional items of Rs.2,808.01 million and also with a view to conserve cash flows for the Company's operations, the Board of Directors has decided to invest the amount towards the growth of the Company and 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, 2019, 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 1,63,00,000, 0.5% Non-Convertible Cumulative Non-Participating Redeemable Preference Shares ("NCCRPS") of Rs.10 each.

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.

Subsequent to the year under review, the Company has amended the terms of NCCRPS wherein the tenure of NCCRPS has been increased to 15 years 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.

Significant Events during current year

a) Issue of Warrants:

As approved by the shareholders in their Extra-ordinary General Meeting held on March 25, 2019, the Company has, on April 8, 2019, issued and allotted 71,11,111 convertible warrants ("Warrants") at a price of Rs.180 each ("Warrant Issue Price") on a preferential basis to India Resurgence Fund – Scheme 1, India Resurgence Fund – Scheme 2 and Piramal Enterprises Limited (collectively "IndiaRF"), with a right to convert each warrant into one equity share of face value of Re.1 each at a price of Rs.180 including premium of Rs.179 per equity share within a period of 18 months from the date of allotment of Warrants. The Company has received an amount of Rs.320 million as upfront payment which is equivalent to 25% of the total amount of Rs.1,280 million proposed to be raised upon issuance of equity shares against warrants as per SEBI ICDR Regulations. Subject to exercise of warrants, IndiaRF (along with its affiliates) will collectively end up owning around 10.4% stake in the Company on a fully diluted basis.

b) Issue of Non-Convertible Debentures:

Subsequent to the year under review, the Company has 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 IndiaRF.

c) One time settlement with the existing lenders:

During the quarter ended March 31, 2019, in order to resolve the debt position of the Company, the Company reached bilateral settlements of its debts with each consortium lender individually. Subsequent to 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 9, 2019 and obtained 'no dues' certificates from such lenders.

d) Proposed Transfer of Pharmaceutical Formulations business:

On March 25, 2019, as part of business reorganization, the Company approved the transfer of pharmaceutical formulations business including pharmaceutical formulations facility at Baddi, Himachal Pradesh and related research & development activities and natural products extraction activities of the Company to Panacea Biotec Pharma Limited ("PBPL"), with an objective to segregate the different businesses of the Company to ensure smooth functioning of each business in the future.

Subsequent to the year under review, to implement the above divesture, the 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), intangible assets and related liabilities 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.

e) Proposed Scheme of Arrangement for demerger of real estate business:

The Board of Directors of "the Company" had, at its meetings held on May 30, 2019 approved the Scheme of Arrangement ('the Scheme') between the Company 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.

The management believes that the proposed Scheme will lead to simplification and rationalization of business undertakings holding structure of the Companies, better management focus, optimum utilization of various resources of the Companies and will enable the Companies to focus on their core businesses. It will create and enhance stakeholders' value by unlocking the intrinsic value of Companies core businesses and listing of shares of RVHL.

The Company has filed the application with the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") for its in-principle approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and the same is pending as on the date of this Report.

f) Alteration in Memorandum and Articles of Association:

Subsequent to the year under review, 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 has 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 Non-Convertible Debentures (NCDs) to India Resurgence Fund-Scheme 1, India Resurgence Fund-Scheme 2 and Piramal Enterprises Limited.

Apart from the updates mentioned above, there were no significant events after the end of the financial year ended March 31, 2019.

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 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.

Subsidiaries, Associates and Joint Ventures

A. Subsidiaries

As on March 31, 2019, your Company has 4 wholly owned subsidiary ("WOS") companies, viz. Radhika Heights Limited ("RHL"), Panacea Biotec Pharma Limited ("PBPL") (w.e.f. March 22, 2019), Panacea Biotec (International) S.A., Switzerland ("PBS"), Rees Investments Limited, Islands of Guernsey ("Rees") (dissolved w.e.f. May 23, 2019) 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.

Subsequent to the year end, the Company has formed 2 WOS, viz. Meyten Realtech Private Limited ("Meyten") (w.e.f. April 12, 2019) and Ravinder Heights Limited ("RVHL") (w.e.f. April 15, 2019).

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 is under arbitration. The Company holds 47,76,319 equity shares of Re.1 each in RHL with an investment of Rs.3,385.65 million as on March 31, 2019. The real estate business including RHL alongwith its step down subsidiaries and two real estate properties, is being demerged into the Company's wholly owned subsidiary namely, Ravinder Heights Limited, subject to applicable approvals.

PBPL has been formed with the objective of transferring the Company's pharmaceutical formulations business to PBPL on a going concern basis. Post completion of transfer of business, PBPL will carry on the said business. The Company holds 10,00,000 equity shares of Re.1 each with an investment of Rs.1.00 million as on March 31, 2019.

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

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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 as on March 31, 2019.

PBGG, WOS of PBS is engaged in marketing of pharmaceutical products including the Company's products in Germany.

Rees had its objects of inter-alia, making strategic investments in other entities. Since no further activities were envisaged in Rees, it was decided to liquidate the same. Subsequent to the year under review, Rees has been dissolved on May 23, 2019.

Meyten has been 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.

RVHL has been incorporated on April 15, 2019 for the purpose of proposed demerger of real estate undertaking of the Company including its investment in RHL into RVHL. The Company holds 1,00,000 equity shares of Re.1 each with an investment of Rs.0.10 million in RVHL.

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: With a view to inter-alia, streamline and consolidate the Company's business operations, your Company has consolidated the entire vaccine manufacturing activities including the activity of manufacturing of bulk vaccines and antigens of PanEra in the Company at its bulk vaccines manufacturing facility at Lalru, Punjab effective from May 25, 2018 and now the entire activities of manufacturing of bulk vaccine and antigens are being undertaken by the Company.

During the year under review, PanEra has achieved a net turnover of Rs.221.42 million as against Rs.211.18 million in previous financial year. PanEra has incurred a net loss of Rs.0.97 million as compared to a net loss of Rs.40.35 million in previous financial year.

Further during earlier year, PanEra has been granted in principle approval by Govt. of Himachal Pradesh for allotment of a hydro-power project of 4 MW in Himachal Pradesh. 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 annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall also be kept open for inspection by any shareholder during working hours at the Company's registered/corporate office and that of the respective subsidiary companies concerned.

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. Presently, Radhika Height Limited is a material subsidiary 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 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, 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 Companies Act, 2013 ("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 2019-20 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: During the year, Mr. O.P. Kelkar (DIN:00943362), an independent director of the Company, departed for his heavenly abode on July 21, 2018. Your Directors place their sincere appreciation towards the invaluable contributions, guidance and support received from him during his tenure as Director of the Company towards the progress of the Company and pray the almighty that the departed soul rest in peace.

ii) Re-appointment of Executive Directors: During the year, Mr. Soshil Kumar Jain (DIN:00012812), Dr. Rajesh Jain (DIN:00013053), Mr. Sandeep Jain (DIN:00012973) and Mr. Ankesh Jain (DIN:03556647) have been re-appointed as Chairman, Managing Director, Joint Managing Director and Whole time Director respectively for a period of three (3) years w.e.f. April 01, 2019. Further, Mr. Sumit Jain

(DIN:00014236) has been re-appointed as Whole-time Director for a period of three (3) years w.e.f. July 22, 2018.

iii) Appointment of Independent Directors: During the year, the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Board ("NRC"), has appointed Mr. Ashwini Luthra (DIN: 05103137) as an additional director and Non-Executive Independent Director for a period of five (5) years w.e.f. October 18, 2018.

Further, subsequent to the year end, the Board of Directors on the recommendation of NRC, has appointed Mr. Bhupinder Singh (DIN:00062754) as an additional director and Non-Executive Independent Director for a period of five (5) years w.e.f. April 08, 2019.

iv) Appointment of Non-Executive Director: Subsequent to the year end, the Board of Directors on the recommendation of NRC, has appointed Mr. Nithin Krishna Kaimal (DIN:05253046) as an additional director and Non-Executive Director of the Company w.e.f. April 08, 2019, not liable to retire by rotation.

v) Re-appointment of Independent Directors: During the year, Mr. R.L. Narasimhan (DIN:00073873), Mr. N.N. Khamitkar (DIN:00017154) and Mr. K. M. Lal (DIN:00016166) have been re-appointed as Independent Directors w.e.f. April 1, 2019 for a second term of five (5) consecutive years up to March 31, 2024.

Further, the first term of office of Mrs. Manjula Upadhyay (DIN:07137968) as Independent Director, will expire on March 29, 2020. The Board of Directors has, after taking into account the report of performance evaluation and the recommendation of NRC, in its meeting held on August 12, 2019, recommended her re-appointment as Independent Director for a second term of five (5) consecutive years upto March 29, 2025, subject to approval of shareholders. The terms and conditions for her re-appointment are contained in the Explanatory Statement forming part of the Notice of the ensuing Annual General Meeting ("AGM") of the Company.

vi) Retirement by Rotation: In accordance with the provisions of Section 152 of the Act and Article 124 of the Articles of Association of the Company, Mrs. Sunanda Jain (DIN:03592692) and Mr. Sumit Jain (DIN: 00014236) directors of the Company are liable to retire by rotation. Being eligible, they have offered themselves for re-appointment as director at the ensuing AGM.

vii) 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 AGM of the Company.

viii) 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.

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.

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.

Board Meetings

During the year under review, five (5) Board Meetings were held on May 30, 2018, August 14, 2018, November 14, 2018, February 14, 2019 and February 26, 2019. 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

During the year under review, 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. Subsequent to the year end, Mr. Nithin Krishna Kaimal, Non-Executive Director has been appointed as a Member of the Audit Committee.

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 selection & appointment of Directors and Key Managerial Personnel of the Company and their remuneration. 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, 2019 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.

Directors' Report

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. 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.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Accounts Rules are given in the prescribed Form AOC-2 annexed as **Annexure C** hereto and the same forms part of this 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 D** 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 **Annexure E** 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 appointed as statutory auditors of the Company for a period of five (5) years to hold office from the conclusion of the 30th AGM of the Company held on September 25, 2014 till the conclusion of the ensuing AGM.

As per the provisions of Section 139 of the Act, no listed company shall appoint or re-appoint an audit firm as auditor for more than two terms of five (5) consecutive years. The current auditors i.e. M/s. Walker Chandiok & Co. LLP, Chartered Accountants, has completed one term of five consecutive years. Accordingly, it is proposed to re-appoint M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Regn. No. 001076N/N500013) as statutory auditors of the Company for a second term of five (5) consecutive years to hold office from the conclusion of the ensuing 35th AGM of the Company till the conclusion of the 40th AGM of the Company on a remuneration, out-of-pocket expenses, etc. incurred in connection with the audit as may be decided by the Board in consultation with the auditors from year to year.

The Board of Directors at its meeting held on August 12, 2019, based on the recommendation of the Audit Committee has recommended the re-appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Regn. No. 001076N/N500013), as the statutory auditors of the Company for approval by the members.

M/s. Walker Chandiok & Co. LLP, Chartered Accountants have consented to the said re-appointment and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in accordance with the provisions of Section 141 of the Act.

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, 2019 and their remuneration has been ratified by the shareholders in the 34th AGM of the Company held on September 29, 2018.

The cost audit for the said period has been completed and the Cost Auditors Report will be submitted with the Central Government within the prescribed time. The Cost Audit Report for the financial year 2017-18 was filed on September 12, 2018.

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 2019-20 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, 2019. The Secretarial Audit Report for the said period is annexed as **Annexure F** to this Report.

The management responses to the observations contained in the Secretarial Audit Report are given below:

a) There are some delays in filing of ECB-2 (monthly return) as required to be filed in terms of Master Circular on External Commercial Borrowings and Trade Credits governed under the provisions of Foreign Exchange Management Act, 1999:

The Company is regular in filing ECB-2 (monthly return) within the stipulated time. However, 2 monthly returns were inadvertently delayed due to reasons beyond reasonable control.

b) The Company has paid managerial remuneration for the financial years ended 31st March 2019, 2018, 2017, 2016, 2014 and 2013, which is in excess of the limits specified by 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 have not been approved and consequently the Company is required to recover the excess amount thus paid for the said years. The Company has recorded an amount of Rs.154 million as recoverable from the directors towards such excess remuneration paid. The Company had 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 stand abated and the Company is in the process of seeking requisite approvals required in accordance with the provisions of Section 197(10) of the Companies Act, 2013.

The above observation in the Secretarial Audit Report is self-explanatory and therefore, does not call for 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, 2019 has been submitted to stock exchanges.

As per the requirements of the SEBI LODR Regulations, the material subsidiary of the Company viz. Radhika Heights Limited has undertaken secretarial audit for the Financial Year 2018-19.

Material changes and commitments affecting the financial position which have occurred between March 31, 2019 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.

Directors' Responsibility Statement

The Directors hereby confirm that:

a) in the preparation of the annual financial statements for the financial year ended March 31, 2019, 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, 2019, and of the profits of the Company for the year ended March 31, 2019;

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

Directors' Report

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 & 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, 2019, 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 implemented new and / or improved controls whenever the effect of such gaps would 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 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 : August 12, 2019

Soshil Kumar Jain
Chairman

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 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 and conventional tube lights with LED lights at several locations.
   - Used water treated from ETP & STP for plantation & irrigation purposes.
   - Used RO rejected water for cooling tower at Lalru Plant.

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:

   - The Company intends to continue replacement of CFL lights with LED lights across the organization over a period of time.
   - The Company has planned to install a 1.5 ton boiler at its Baddi location to be run on LPG (Liquefied Petroleum Gas) in place of Furnace Oil (FO). This would considerably reduce exhaust emission as LPG is a clean fuel.

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)	26,107.22	24,971.99
Total Amount (Rs. in million)	164.16	169.03
Rate/Unit (Rs.)	6.29	6.77
(b) Own generation		
(i) Through Diesel Generator		
Units (Nos. in thousand)	634.09	699.39
Unit per litre of Diesel/Oil	3.33	3.44
Cost/Unit (Rs.)	19.78	16.89
(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)	2,652.46	1,446.55
Total Cost (Rs. in million)	96.46	39.07
Rate/Unit (Rs.)	36.37	27.01
4. Others/Internal generation		
Quantity	Nil	Nil
Total Cost		
Rate/Unit		

Annexure to the Directors' Report

Particulars	**Current Year**	Previous Year
B. Consumption per unit of production		
Tablets		
Production (no. in million)	564.17	663.39
Electricity Consumption (Units per thousand)	5.90	5.16
Capsules		
Production (no. in million)	129.87	124.09
Electricity Consumption (Units per thousand)	21.55	21.34
Syrups		
Production (in litres)	187,102	198,285
Electricity Consumption (Units per kilolitre)	0.67	0.41
Gels		
Production (in kilograms)	36,126	45,125
Electricity Consumption (Units per kilogram)	5.25	4.57
Vaccines		
Production (no. of doses in thousand)	23,298	86,964
Electricity Consumption (Units per thousand)	24.57	15.65
Pre-filled Syringes (PFS)		
Production (no. of PFS in thousand)	610	857
Electricity Consumption (Units per thousand)	307.39	323.28
Granules		
Production (in kilograms)	20,728	22,734
Electricity Consumption (Units per kilogram)	0.88	0.74
Injections		
Production (no. of injection in thousand)	102	80
Electricity Consumption (Units per thousand)	781.74	985.93

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 had 4 R&D Centres at Lalru, Mohali, New Delhi and Navi Mumbai, manned with around 100 scientists working on several key projects in vaccines, pharmaceutical formulations and biopharmaceuticals. During the year under review, with a view to optimize costs and resources, the R&D Center at Navi Mumbai has been relocated and merged into Sampann R&D Center at Lalru, Punjab and the R&D Centers at New Delhi & Mohali have been shifted to Lalru, Punjab.

   The areas of research being pursued by the Company include:

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

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;
   - Entry into newer markets and export of quality products; and
   - Solving public health problems with the availability of vaccines for immunization of public at large and affordable life-saving drugs for critical diseases like cancer etc.

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; and
   - Development of biosimilar therapeutic products and Monoclonal antibodies.

4. Expenditure on R&D:

(Rs. in million)

Particulars	**2018-19**	2017-18
a) Revenue expenditure (excluding Depreciation on R&D assets)	564.79	398.23
b) Capital expenditure	39.50	111.53
c) Total	604.29	509.76
d) Total R&D expenditure as a percentage of net revenues	13.61%	8.83%

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 of new generation vaccines. It is also working on 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) and CABAPAN (Cabazitaxel) injections.

   During the year, the Company has further strengthened sales of two products, viz. Rizatriptan Oral Dispersible 5mg and 10mg Tablets and Prasugrel HCL 5mg and 10mg tablets which were launched during previous financial year in US markets through such strategic collaboration.

   The Company had launched world's first wP 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).

   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			

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, Tanzania, Kenya, Syria, Serbia, Vietnam, Philippines, Sri Lanka, Panama and Ecuador etc.

   The Company has continued its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets in several countries. 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.

   The Company achieved an export revenue of Rs.1,065.58 million during the year.

2. Initiatives taken to increase export:

   During the year, the Company has expanded sales of Rizatriptan Oral Dispersible 5mg and 10mg Tablets and Prasugrel HCL 5mg and 10mg tablets in US markets through strategic collaborations.

   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 has been accepted for filing and review by the U.S. Food and Drug Administration (USFDA). 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 pharma companies.

   During the year, the Company has filed its ANDA for Cyclosporine Capsules (Modified) USP 25mg and 100mg and the same has been accepted for review by the USFDA.

   The Company has entered into a tripartite agreement with Natco Pharma Ltd. ("Natco") and Breckenridge Pharmaceutical Inc. USA ("Breckenridge") for manufacturing and supply of Azacitidine Injection (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 6, 2019. The Company has received USFDA approval for this product and has launched the same in USA during current financial year through Breckenridge.

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

   The Company has taken necessary steps to strengthen and grow its exports in the coming years including strengthening marketing team, entering into newer markets, 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 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 and 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 Bendamustin (first oncology registration) in Syria and launched in-housed developed product Sitcom (for hemorrhoids) in Zambia and Uzbekistan.

4. Total foreign exchange earned and used:

(Rs. in million)

Particulars	**2018-19**	2017-18
Foreign Exchange Earned:		
F.O.B. value of Exports	953.85	1,424.27
Research & License Fees	7.59	102.29
Interest Income from subsidiary company	32.09	73.47
Royalty Income	0.71	-
Profit Share For Sale (Export)	2.20	-
Litigation avoidance fee received	206.59	-
Total	1,203.03	1,600.03
Foreign Exchange Used:		
Raw Materials & Packing Materials	265.92	907.66
Components & Spare Parts	7.45	4.79
Capital Goods	1.08	18.17
Interest	97.47	109.22
Legal & Professional Fees	21.32	24.56
Royalty	-	0.47
Other Expenses:		
- Patents, Trade Marks & Product Registration	5.87	4.83
- Advertising and Sales Promotion	17.34	15.78
- Commission on Sales	5.02	5.99
- Rates & Taxes	29.28	21.52
- Testing charges	2.14	3.96
- General expenses	5.05	7.16
- Bank charges	0.86	1.12
- Travelling expenses	2.21	2.94
- Others	5.63	3.27
Total	466.66	1,131.44

For and on behalf of the Board

Place: New Delhi
Dated: August 12, 2019

Soshil Kumar Jain
Chairman

ANNEXURE B

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2019
[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	Radhika Heights Limited	U74899PB1995PLC045879	Wholly Owned Subsidiary	100	2(87)
2	Cabana Construction Private Limited	U80904PB2007PTC045878	Step down Subsidiary	100	2(87)
3	Cabana Structures Limited	U15122PB2007PLC045877	Step down Subsidiary	100	2(87)
4	Nirmala Buildwell Private Limited	U55101PB2007PTC045914	Step down Subsidiary	100	2(87)
5	Nirmala Organic Farms & Resorts Private Limited	U01403PB2010PTC045880	Step down Subsidiary	100	2(87)
6	Radicura Infra Limited	U74899PB1993PLC045881	Step down Subsidiary	100	2(87)
7	Sunanda Infra Limited	U13209PB2007PLC045882	Step down Subsidiary	100	2(87)
8	Panacea Biotec Pharma Limited*	U24299DL2019PLC347566	Wholly Owned Subsidiary	100	2(87)
9	Rees Investments Limited**	Foreign Company	Wholly Owned Subsidiary	100	2(87)
10	Panacea Biotec (International) SA	Foreign Company	Wholly Owned Subsidiary	100	2(87)
11	Panacea Biotec Germany GmbH	Foreign Company	Step down Subsidiary	100	2(87)
12	PanEra Biotec Private Limited#	U24231DL1999PTC102557	Associate	50	2(6)
13	Adveta Power Private Limited#	U40101HP2011PTC031700	Joint Venture	50	2(6)
14	Chiron Panacea Vaccines Private Limited (Under liquidation)	U24230MH2004PTC147790	Joint Venture	50	2(6)

* Subsidiary incorporated on March 22, 2019. ** Dissolved w.e.f. May 23, 2019. # Considered as Subsidiary for the purpose of consolidation of accounts as per Ind-AS.

IV. SHAREHOLDING PATTERN

(Equity Share Capital breakup 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	43,057,230	-	43,057,230	70.30%	42,761,412	-	42,761,412	69.81%	-0.48%
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%	-
Sub Total (A) (1)	45,370,684	-	45,370,684	74.07%	45,074,866	-	45,074,866	73.59%	-0.48%

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)	45,370,684	-	45,370,684	74.07%	45,074,866	-	45,074,866	73.59%	-0.48%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	726,222	-	726,222	1.19%	1.19%
b) Banks / FI	74,283	-	74,283	0.12%	31,340	-	31,340	0.05%	-0.07%
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):	74,283	-	74,283	0.12%	757,562	-	757,562	1.24%	1.12%
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	8,120,522	-	8,120,522	13.26%	7,502,653	-	7,502,653	12.25%	-1.01%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,261,708	332,761	3,594,469	5.87%	3,020,964	256,251	3,277,215	5.35%	-0.52%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,515,428	-	3,515,428	5.74%	3,873,492	-	3,873,492	6.32%	0.58%
c) Hindu Undivided Family	132,857	-	132,857	0.22%	175,369	-	175,369	0.29%	0.07%
d) Non Resident Indians	94,329	-	94,329	0.15%	94,628	-	94,628	0.15%	-
e) Overseas Corporate Bodies	183,850	-	183,850	0.30%	-	-	-	-	-0.30%
f) Foreign Nationals	-	-	-	-	-	-	-	-	-
g) Clearing Members	26,045	-	26,045	0.04%	240,510	-	240,510	0.39%	0.35%
h) Trusts	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investors	-	-	-	-	139,173	-	139,173	0.23%	0.23%
j) Foreign Corporate Bodies	65,400	-	65,400	0.11%	-	-	-	-	-0.11%
k) Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	72,879	-	72,879	0.12%	115,278	-	115,278	0.19%	0.07%
Sub-total (B)(2)	15,473,018	332,761	15,805,779	25.81%	15,162,067	256,251	15,418,318	25.17%	-0.63%
Total Public Shareholding (B)	15,547,301	332,761	15,880,062	25.93%	15,919,629	256,251	16,175,880	26.41%	0.48%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	60,917,985	332,761	61,250,746	100.00%	60,994,495	256,251	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%	-	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%	-	0.00%
7	Mrs. Pamilla Jain	816,500	1.33%	-	816,500	1.33%	-	0.00%
8	Soshil Kumar Jain (HUF)	2,251,713	3.68%	-	2,251,713	3.68%	-	0.00%
9	Ravinder Jain (HUF)	4,135,000	6.75%	-	4,135,000	6.75%	-	0.00%
10	Rajesh Jain (HUF)	4,046,617	6.61%	-	3,750,799	6.12%	-	-0.48%
11	Sandeep Jain (HUF)	4,105,000	6.70%	-	4,105,000	6.70%	-	0.00%
12	Mr. Sumit Jain	358,500	0.59%	-	358,500	0.59%	-	0.00%
13	Mr. Nipun Jain	-	-	-	-	-	-	-
14	Mrs. Radhika Jain	357,000	0.58%	-	357,000	0.58%	-	0.00%
15	Mrs. Priyanka Jain	318,000	0.52%	-	318,000	0.52%	-	0.00%
16	Mr. Ankesh Jain	307,000	0.50%	-	307,000	0.50%	-	0.00%
17	Mr. Harshet Jain	299,500	0.49%	-	299,500	0.49%	-	0.00%
18	Mr. Abhey Kumar Jain	1,000	0.00%	-	1,000	0.00%	-	0.00%
19	Mrs Kanta Rani	-	-	-	-	-	-	-
20	Mr. Ashish Jain	500	0.00%	-	500	0.00%	-	0.00%
21	First Lucre Partnership Co.	2,255,815	3.68%	-	2,255,815	3.68%	-	0.00%
22	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							
1	Dr. Rajesh Jain (HUF)							
	at the beginning of the year	4,046,617	6.61%	01.04.2018			4,046,617	6.61%
	change in shareholding			29.08.2018	(163,298)	Transfer	3,883,319	6.34%
				30.08.2018	(1,103)	Transfer	3,882,216	6.34%
				31.08.2018	(102,264)	Transfer	3,779,952	6.17%
				03.09.2018	(29,153)	Transfer	3,750,799	6.12%
	at the end of the year	3,750,799	6.12%	31.03.2019			3,750,799	6.12%

Annexure to the Directors' Report

(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%	01.04.2018			5,774,732	9.43%
	change in shareholding				-	-	5,774,732	9.43%
	at the end of the year	5,774,732	9.43%	31.03.2019			5,774,732	9.43%
2	Adar Cyrus Poonawala							
	at the beginning of the year	3,157,900	5.16%	01.04.2018			3,157,900	5.16%
	change in shareholding			06.04.2018	99,950	Transfer	3,257,850	5.32%
				13.04.2018	(18,353)	Transfer	3,239,497	5.29%
				20.04.2018	(77,830)	Transfer	3,161,667	5.16%
				27.04.2018	(4,633)	Transfer	3,157,034	5.15%
	at the end of the year	3,157,034	5.15%	31.03.2019			3,157,034	5.15%
3	ICICI Prudential Pharma Healthcare And Diagnostics (P.H.D) Fund							
	at the beginning of the year	-	0.00%	01.04.2018			-	0.00%
	change in shareholding			10.08.2018	42,241	Transfer	42,241	0.07%
				17.08.2018	32,767	Transfer	75,008	0.12%
				24.08.2018	110,457	Transfer	185,465	0.30%
				31.08.2018	214,535	Transfer	400,000	0.65%
				07.09.2018	200,000	Transfer	600,000	0.98%
				05.10.2018	17,556	Transfer	617,556	1.01%
				12.10.2018	368	Transfer	617,924	1.01%
				19.10.2018	2,529	Transfer	620,453	1.01%
				14.12.2018	105,769	Transfer	726,222	1.19%
	at the end of the year	726,222	1.19%	31.03.2019			726,222	1.19%
4	Apoorva Realtors and Finvest Pvt. Ltd.							
	at the beginning of the year	760,662	1.24%	01.04.2018			760,662	1.24%
	change in shareholding			01.03.2019	(65,000)	Transfer	695,662	1.14%
	at the end of the year	695,662	1.14%	31.03.2019			695,662	1.14%
5	Chakan Investment Pvt. Ltd.							
	at the beginning of the year	222,149	0.36%	01.04.2018			222,149	0.36%
	change in shareholding				-	-	222,149	0.36%
	at the end of the year	222,149	0.36%	31.03.2019			222,149	0.36%
6	Guttikonda Vara Lakshmi							
	at the beginning of the year	122,722	0.20%				122,722	0.20%
	change in shareholding			24.08.2018	4,000	Transfer	126,722	0.21%
				21.09.2018	18,400	Transfer	145,122	0.24%
				22.02.2019	23,459	Transfer	168,581	0.28%
				01.03.2019	15,000	Transfer	183,581	0.30%
	at the end of the year	183,581	0.30%	31.03.2019			183,581	0.30%
7	Gain Premium Limited							
	at the beginning of the year	183,850	0.30%	01.04.2018			183,850	0.30%
	change in shareholding			06.07.2018	(500)	Transfer	183,350	0.30%
				01.03.2019	(500)	Transfer	182,850	0.30%
				29.03.2019	450	Transfer	183,300	0.30%
	at the end of the year	183,300	0.30%	31.03.2019			183,300	0.30%
8	Corpint Investments Pvt. Ltd.							
	at the beginning of the year	175,753	0.29%	01.04.2018			175,753	0.29%
	change in shareholding				-	-	175,753	0.29%
	at the end of the year	175,753	0.29%	31.03.2019			175,753	0.29%

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	Priti Ketan Kotecha							
	at the beginning of the year	104,806	0.17%	01.04.2018			104,806	0.17%
	change in shareholding			06.04.2018	1,050	Transfer	105,856	0.17%
				13.04.2018	2,813	Transfer	108,669	0.18%
				20.04.2018	3	Transfer	108,672	0.18%
				27.04.2018	1,008	Transfer	109,680	0.18%
				11.05.2018	1,600	Transfer	111,280	0.18%
				18.05.2018	38	Transfer	111,318	0.18%
				25.05.2018	2,135	Transfer	113,453	0.19%
				01.06.2018	27	Transfer	113,480	0.19%
				08.06.2018	2,379	Transfer	115,859	0.19%
				15.06.2018	136	Transfer	115,995	0.19%
				22.06.2018	923	Transfer	116,918	0.19%
				29.06.2018	216	Transfer	117,134	0.19%
				06.07.2018	(40)	Transfer	117,094	0.19%
				13.07.2018	1,698	Transfer	118,792	0.19%
				20.07.2018	510	Transfer	119,302	0.19%
				03.08.2018	419	Transfer	119,721	0.20%
				10.08.2018	(29,000)	Transfer	90,721	0.15%
				17.08.2018	1,082	Transfer	91,803	0.15%
				24.08.2018	(3,237)	Transfer	88,566	0.14%
				31.08.2018	1,794	Transfer	90,360	0.15%
				07.09.2018	2,462	Transfer	92,822	0.15%
				14.09.2018	400	Transfer	93,222	0.15%
				21.09.2018	1,023	Transfer	94,245	0.15%
				28.09.2018	3,577	Transfer	97,822	0.16%
				05.10.2018	2,601	Transfer	100,423	0.16%
				12.10.2018	4,391	Transfer	104,814	0.17%
				26.10.2018	7,075	Transfer	111,889	0.18%
				02.11.2018	(499)	Transfer	111,390	0.18%
				09.11.2018	(200)	Transfer	111,190	0.18%
				16.11.2018	611	Transfer	111,801	0.18%
				23.11.2018	447	Transfer	112,248	0.18%
				30.11.2018	555	Transfer	112,803	0.18%
				07.12.2018	106	Transfer	112,909	0.18%
				14.12.2018	126	Transfer	113,035	0.18%
				21.12.2018	1,171	Transfer	114,206	0.19%
				28.12.2018	1,079	Transfer	115,285	0.19%
				04.01.2019	684	Transfer	115,969	0.19%
				11.01.2019	827	Transfer	116,796	0.19%
				18.01.2019	819	Transfer	117,615	0.19%
				25.01.2019	11,980	Transfer	129,595	0.21%
				01.02.2019	29,984	Transfer	159,579	0.26%
				08.02.2019	124	Transfer	159,703	0.26%
				15.02.2019	(617)	Transfer	159,086	0.26%
				22.02.2019	270	Transfer	159,356	0.26%
				01.03.2019	5	Transfer	159,361	0.26%
				08.03.2019	4,541	Transfer	163,902	0.27%
				15.03.2019	(1,468)	Transfer	162,434	0.27%
				22.03.2019	920	Transfer	163,354	0.27%
				29.03.2019	(1,996)	Transfer	161,358	0.26%
				31.03.2019	300	Transfer	161,658	0.26%
	at the end of the year	161,658	0.26%	31.03.2019			161,658	0.26%

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
10	Investor Education and Protection Fund Authority, Ministry of Corporate Affairs							
	at the beginning of the year	72,879	0.12%	01.04.2018			72,879	0.12%
	change in shareholding			19.10.2018	(15)	Transfer	72,864	0.12%
				23.11.2018	40,430	Transfer	113,294	0.18%
				30.11.2018	1,984	Transfer	115,278	0.19%
	at the end of the year	115,278	0.19%	31.03.2019			115,278	0.19%
11	Mukul Mahavir Agarwal @							
	at the beginning of the year	130,000	0.21%	01.04.2018			130,000	0.21%
	change in shareholding			06.04.2018	(130,000)	Transfer	-	-
	at the end of the year	-	-	31.03.2019			-	-
12.	SI Investments and Broking Pvt. Ltd. @							
	at the beginning of the year	102,817	0.17%	01.04.2018			102,817	0.17%
	change in shareholding			04.05.2018	12,327	Transfer	115,144	0.19%
				03.08.2018	(15,144)	Transfer	100,000	0.16%
				07.12.2018	(2,953)	Transfer	97,047	0.16%
				14.12.2018	(97,047)	Transfer	-	-
	at the end of the year	-	-	31.03.2019			-	-

@ Ceased to be in the list of Top 10 shareholders as on March 31, 2019 but was in the list of top 10 shareholders as on April 01, 2018.

(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%	01.04.2018			5,000,000	8.16%
	change in shareholding				-	-	5,000,000	8.16%
	at the end of the year	5,000,000	8.16%	31.03.2019			5,000,000	8.16%
2	Dr. Rajesh Jain							
	at the beginning of the year	6,213,500	10.14%	01.04.2018			6,213,500	10.14%
	change in shareholding				-	-	6,213,500	10.14%
	at the end of the year	6,213,500	10.14%	31.03.2019			6,213,500	10.14%
3	Mr. Sandeep Jain							
	at the beginning of the year	4,792,100	7.82%	01.04.2018			4,792,100	7.82%
	change in shareholding				-	-	4,792,100	7.82%
	at the end of the year	4,792,100	7.82%	31.03.2019			4,792,100	7.82%
4	Mrs. Sunanda Jain							
	at the beginning of the year	6,647,300	10.85%	01.04.2018			6,647,300	10.85%
	change in shareholding						6,647,300	10.85%
	at the end of the year	6,647,300	10.85%	31.03.2019			6,647,300	10.85%
5	Mr. Sumit Jain							
	at the beginning of the year	358,500	0.59%	01.04.2018			358,500	0.59%
	change in shareholding				-	-	358,500	0.59%
	at the end of the year	358,500	0.59%	31.03.2019			358,500	0.59%
6	Mr. Ankesh Jain							
	at the beginning of the year	307,000	0.50%	01.04.2018			307,000	0.50%
	change in shareholding				-	-	307,000	0.50%
	at the end of the year	307,000	0.50%	31.03.2019			307,000	0.50%
B. Non Executive Directors:								
1	Mr. Raghava Lakshmi Narasimhan							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-

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
2	Mr. Namdeo Narayan Khamitkar							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-
3	Mr. Krishna Murari Lal							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-
4	Mr. Om Prakash Kelkar*							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-
5	Mrs. Manjula Upadhyay							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-
6	Mr. Mukul Gupta							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-
7	Mr. Ashwini Luthra**							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-
C. Key Managerial Personnel (KMPs):								
1	Mr. Vinod Goel (Company Secretary)							
	at the beginning of the year	250	0.00%	01.04.2018			250	0.00%
	change in shareholding				-	-	250	0.00%
	at the end of the year	250	0.00%	31.03.2019			250	0.00%
2	Mr. Devender Gupta (Chief Financial Officer)							
	at the beginning of the year	-	-	01.04.2018			-	-
	change in shareholding				-	-	-	-
	at the end of the year	-	-	31.03.2019			-	-

* Ceased to be director w.e.f. 21.07.2018 due to his sad demise on 21.07.2018.
**Appointed as Non-Executive Independent Director w.e.f. 18.10.2018.

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	9,061.62	540.65	-	9,602.27
ii) Interest due but not paid	1.77	143.13	-	144.90
iii) Interest accrued but not due	6.28	13.69	-	19.97
Total (i+ii+iii)	9,069.67	697.47	-	9,767.14
Change in Indebtedness during the financial year				
Addition	-	51.05	-	51.05
Reduction	3,016.69	-	-	3,016.69
Net Change	(3,016.69)	51.05	-	(2,965.64)
Indebtedness at the end 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

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	1.59	1.30	1.18	1.00	0.58	0.62	6.27
	(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	11.19	7.30	6.70	5.80	4.18	2.42	37.59

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

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
	Independent Directors	Mr. R. L. Narasimhan	Mr. N. N. Khamitkar	Mr. K. M. Lal	Mr. O.P. Kelkar*	Mrs. Manjula Upadhyay	Mr. Mukul Gupta	Mr. Ashwini Luthra**	
1	Fee for attending board / committee meetings	0.33	0.31	0.27	-	0.25	0.25	0.10	1.51
2	Commission	-	-	-	-	-	-	-	-
3	Others- monthly allowances	-	-	-	-	-	-	-	-
	Total	0.33	0.31	0.27	-	0.25	0.25	0.10	1.51

* Ceased to be director w.e.f. 21.07.2018 due to his sad demise on 21.07.2018.
**Appointed as Non-Executive Independent Director w.e.f. 18.10.2018.

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	5.60	4.37	9.97
	(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	5.62	4.37	9.99

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2018-19, there were no penalties/punishment/ compounding of offences under the Companies Act, 2013

Note: 0.0 under "Rs. in millions" 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 : August 12, 2019

Soshil Kumar Jain
Chairman

ANNEXURE C

FORM NO. AOC - 2

[Pursuant to clause (h) of Sub section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

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

1. Details of contracts or arrangements or transactions not at arm's length basis :

S. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts/ arrangements / transactions	Salient features of contracts/ arrangements / transactions, including value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General Meeting u/s 188 (1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
				NIL			

2. Details of material contracts or arrangements or transactions at arm's length basis:

S. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts/ arrangements / transactions	Salient features of contracts/ arrangements / transactions, including value, if any	Date(s) of approval by the Board	Amount (Rs. In million)	Date on which special resolution was passed in General Meeting u/s 188 (1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
				NIL			

For and on behalf of the Board

Place : New Delhi
Dated : August 12, 2019

Soshil Kumar Jain
Chairman

ANNEXURE D

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, 2019

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

Name of the Director	Designation	Ratio to median remuneration of employees
Mr. Soshil Kumar Jain	Chairman	36.22
Dr. Rajesh Jain	Managing Director	23.64
Mr. Sandeep Jain	Joint Managing Director	21.70
Mrs. Sunanda Jain	Whole-time Director	18.78
Mr. Sumit Jain	Director Operations & Projects	13.54
Mr. Ankesh Jain	Director Sales & Marketing	7.85

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 2018-19:

Name of the Director & KMP	Designation	% increase in remuneration
Mr. Soshil Kumar Jain	Chairman	4.5%
Dr. Rajesh Jain	Managing Director	0.7%
Mr. Sandeep Jain	Joint Managing Director	1.6%
Mrs. Sunanda Jain	Whole-time Director	2.5%
Mr. Sumit Jain	Director Operations & Projects	1.9%
Mr. Ankesh Jain	Director Sales & Marketing	5.4%
Mr. Devender Gupta	Chief Financial Officer and Head Information Technology	9.88%
Mr. Vinod Goel	Group C.F.O. and Head Legal & Company Secretary	10.13%

c. The percentage increase in the median remuneration of employees in the financial year 2018-19: 10.38%.

d. The number of permanent employees on the rolls of the Company: 2,314 as at March 31, 2019.

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 decrease in remuneration of employees other than managerial remuneration was 9.71%. The average percentile of the managerial remuneration for the year was decreased by 8.65%.

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 : August 12, 2019

Soshil Kumar Jain
Chairman

ANNEXURE E

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 and forming part of the Directors' Report for the year ended March 31, 2019

Top 10 employees as on March 31, 2019 in terms of remuneration drawn during the year:

S. No.	Name	Designation	Remune-ration (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)
1.	Mr. Soshil Kumar Jain	Chairman	11.18	Contractual	Pharmacist	64	02.02.1984	86	Nil
2.	Dr. Sukhjeet Singh	Chief Scientific Officer & RA (Pharma)	7.78	Permanent employee	Ph.D	27	17.08.2006	50	Strides Arcolab Limited, VP-Formulation & Development, 1 year
3.	Dr. Rajesh Jain	Managing Director	7.30	Contractual	Ph.D	35	15.11.1984	55	Nil
4.	Mr. Sandeep Jain	Joint Managing Director	6.70	Contractual	Senior Secondary	34	15.11.1984	53	Nil
5.	Mr. Gurinder Pal Singh	Sr. V.P. - Acute & Chronic Business	5.87	Permanent employee	B.Sc	25	09.03.2010	52	Cadila Pharma V.P-Sales & Marketing, 2 years
6.	Mrs. Sunanda Jain	Whole-time Director	5.80	Contractual	Graduate in Arts	1	12.03.2018	57	Nil
7.	Mr. Vinod Goel	Group CFO and Head Legal & Company Secretary	5.61	Permanent employee	M.Com, LLB, ACMA & FCS	32	13.01.1999	54	Prakash Industries Limited, Company Secretary, 9 years
8.	Dr. Rajeeva Kumar Mangalum	Plant Head – Pharma & Onco Plant	5.01	Permanent employee	Ph.D	34	20.04.1996	58	Indian Herbs Pvt. Ltd. Production Officer, 5 Years
9.	Mr. Kulvinder Sarao	Sr. V.P Audit & Compliances (HR)	4.69	Permanent employee	PGD in Personal Management	33	14.01.2005	57	Hero Honda Motors Limited, Head HRM, 3 months
10.	Mr. Rajneesh Chatrath	Vice President - Corporate Q. A.	4.50	Permanent employee	M. Sc.	27	30.10.2000	51	ECO-MED Pharmaceuticals, QA-Associate, 4 Months

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, 2019 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, 3, 4 & 6 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. 2, 5, 7, 8, 9 & 10 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 and 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 - Supervision of various activities relating to the Company's subsidiaries engaged into real estate business.

For and on behalf of the Board

Place : New Delhi
Dated : August 12, 2019

Soshil Kumar Jain
Chairman

Annexure F

Secretarial Audit Report for the financial year ended March 31, 2019

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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, 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, 2019, 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, 2009 and 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 - Not applicable as the Company has not issued/ proposed to issue any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the financial year under review;
    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 (Delisting 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, Standards, etc. as mentioned above subject to the following observations:

- There are some delays in filing of ECB-2 (monthly return) as

Annexure to the Directors' Report

required to be filed in terms of Master Circular on External Commercial Borrowings and Trade Credits governed under the provisions of Foreign Exchange Management Act, 1999.

- The Company has paid managerial remuneration for the financial years ended 31st March 2019, 2018, 2017, 2016, 2014 and 2013, which is in excess of the limits specified by 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 have not been approved and consequently the Company is required to recover the excess amount thus paid for the said years. The Company has recorded an amount of Rs.154 million as recoverable from the directors towards such excess remuneration paid. The Company had 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 stand abated and the Company is in the process of seeking requisite approvals required in accordance with the provisions of Section 197(10) of the Companies Act, 2013.

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

Place : Delhi
Date : 12th August, 2019

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

Place : Delhi
Date : 12th August, 2019

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

Corporate Governance is the key attribute in ensuring commitment to values, ethical business conduct, investor's 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 carved out.

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 independent 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.

As on March 31, 2019, the Board of Directors of the Company comprised of 12 members including 6 executive directors and 6 non-executive independent directors (including two women 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 liberty to express their opinion and decisions are mostly taken on the basis of consensus/majority arrived at after detailed discussions. They 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, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;

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- 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 2018-19, five (5) Board Meetings were held on May 30, 2018, August 14, 2018, November 14, 2018, February 14, 2019 and February 26, 2019.

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, 2019, is as under:

S. No.	Name of Director and Category of Directorship	No. of board meetings held	Attendance at meetings during 2018-19		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	5	2	No	3	0	0	Nil
2.	Dr. Rajesh Jain, Promoter - MD	5	4	No	3	0	0	Nil
3.	Mr. Sandeep Jain, Promoter - JMD	5	4	Yes	2	0	0	Nil
4.	Mrs. Sunanda Jain, Promoter Group - WTD	5	4	No	1	0	0	Nil
5.	Mr. Sumit Jain, Promoter Group - WTD	5	3	No	14	0	0	Nil
6.	Mr. Ankesh Jain, Promoter Group - WTD	5	1	No	2	0	0	Nil
7.	Mr. K. M. Lal, NID	5	4	No	4	4	1	Hindustan Wires Limited - NID Polylink Polymers (India) Limited - NID
8.	Mrs. Manjula Upadhyay, NID	5	5	No	2	0	0	DTC India Limited - NID
9.	Mr. Mukul Gupta, NID	5	5	Yes	2	1	1	Federal-Mogul Goetze (India) Limited - NID
10.	Mr. N. N. Khamitkar, NID	5	5	Yes	3	2	1	Nil
11.	Mr. O. P. Kelkar, NID*	1	0	NA	NA	NA	NA	NA
12.	Mr. Ashwini Luthra, NID**	3	2	NA	0	0	0	Nil
13.	Mr. R. L. Narasimhan, NID	5	5	Yes	3	2	1	Nil

Note: WTD = Whole-time Director, MD = Managing Director, JMD = Joint Managing Director, NID = 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 director of the Company w.e.f. 21.07.2018 due to his sad demise on 21.07.2018.

** Appointed as Non-Executive Independent Director of the Company w.e.f. 18.10.2018.

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), grandfather of Mr. Sumit Jain (son of Late Mr. Ravinder Jain & Mrs. Sunanda Jain) and Mr. Ankesh Jain (son of Dr. Rajesh Jain).

None of the other directors are related to each other.

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

f) Familiarization programme for the Independent Directors:

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 various changes in regulatory framework and its impact on the Company etc. for the independent directors. The familiarization programme aims at helping the independent directors to understand the functions and operations of the Company, its management, their roles & responsibilities towards the Company, etc.

The details of familiarization programme for independent directors may be accessed on the Company's website at the link: https://www.panaceabiotec.com/statutory-policies.

g) Key qualifications/skills/expertise/competencies available with the Board:

In the context of the Company's business and activities, the Company requires skills/expertise/competencies in the areas of Science and Innovation, Research & Development, Pharmaceuticals, Technology, Public Health, Entrepreneurship, General Corporate Management, Business Leadership, Strategic Planning, Financial Management, Banking, Risk and Governance, Administration and Human Relations.

The Board is satisfied that it is comprised of highly qualified members who are reputed in these skills, experience, diversity, competence and expertise that allow them to make effective contribution 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) Board confirmation regarding Independent Directors:

On the basis of declarations received from the Independent Directors, the Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions specified in the 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 14, 2018 without the attendance of non-independent directors and members of management to review the performance of the senior management, independent and non-independent directors including Chairman and the Board as a whole. All independent directors were present during the above said meeting.

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

The lead independent directors with/or without other independent directors also provided the feedback to the Board about the key elements that emerge out of the meeting.

j) 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.

k) Brief profile of Directors seeking appointment / reappointment:

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) Mrs. Sunanda Jain

Age : 57 Years

Qualification : Graduate in Arts

Professional Expertise: She has knowledge and experience in the Company's matters including activities relating to Company's subsidiaries in real estate business and is currently responsible for supervision of various activities relating to the Company's subsidiaries engaged into real estate activities, viz. Radhika Heights Limited and its subsidiaries. She is the wife of Late Mr. Ravinder Jain who ceased to be the Managing Director of the Company due to his sad demise on 21.02.2018 and she has always been the strength behind him. She is also a promoter/director of Lakshmi & Manager Holdings Limited since August, 2011 and is involved in the strategic planning, vision, and formulation of strategies for that company.

Inter-se relationship between directors: She is related to Mr. Soshil Kumar Jain, Dr. Rajesh Jain, Mr. Sandeep Jain, Mr. Sumit Jain and Mr. Ankesh Jain.

Directorships: She is a director of Lakshmi & Manager

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Holdings Limited and Ravinder Heights Limited.

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

Shareholding in the Company: She holds 66,47,300 Equity Shares of Re.1 each, comprising 10.85% of total Equity Share Capital of the Company.

ii) Mr. Sumit Jain

Age: 38 Years

Qualification: Post Graduate Diploma in Business Management

Professional Expertise: He has experience of around19 years in the pharmaceutical industry. He joined Panacea Biotec Limited in May, 2003 as Manager (Vaccines) and was appointed as Whole-time Director in July 2005. He is currently acting as Whole-time Director designated as Director (Operations & Projects) and is responsible for the administrative matters of Panacea Biotec's Lalru and Baddi facilities. He also oversees the Supply Chain Management of the Company. Prior to joining Panacea Biotec, he was associated with the Company's Subsidiary, Radicura Infra Limited as an Executive Director.

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

Directorships: He is the Managing Director of Radhika Heights Limited and a director of Radicura Infra Limited, Sunanda Infra Limited, Cabana Structures Limited, Nirmala Buildwell Private Limited, PanEra Biotec Private Limited, Panacea Life Sciences Limited, Lakshmi & Manager Holdings Limited, Nirmala Organic Farms & Resorts Private Limited, Best General Insurance Company Limited, OKI Estates Private Limited, Trinidhi Finance Private Limited, Cabana Construction Private Limited, White Pigeon Estate Private Limited and Ravinder Heights Limited.

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

Shareholding in the Company: He holds 3,58,500 Equity Shares of Re.1 each, comprising 0.59% of total Equity Share Capital of the Company.

iii) Mrs. Manjula Upadhyay

Age: 62 Years

Qualification: Law Graduate

Professional Expertise: She is a practicing lawyer with rich experience of around 30 years specially in the field of labour laws. She is the Managing Partner of M/s The Protector Law Firm, and Designated Partner of MR LEX CORP LLP (a firm rendering consultancy services to several companies including the Company).

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

Directorships: She is a director in DTC India Limited and The Delhi Flour Mills Company Limited.

Committee Membership/Chairmanship: She does not hold Committee Membership/ Chairmanship in any 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 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

The Committee comprises of independent directors who are financially literate persons having vast experience in the area of finance, accounts, strategy & management.

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, includes 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;
- 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 a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval of or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- 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, 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 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;
- 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;
- 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; 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) 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 2018-19, five (5) meetings of the Audit Committee were held on May 29, 2018, August 13, 2018, November 13, 2018, February 14, 2019 and February 26, 2019. The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name of the Member	No. of Meetings	
		held	attended
1	Mr. R. L. Narasimhan	5	5
2	Mr. K. M. Lal	5	4
3	Mr. N. N. Khamitkar	5	5

The Statutory Auditors, Internal Auditors, 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. Apart from them, Cost Auditors, Joint Managing Director and other officials of the Company attended one or more of the Audit Committee Meetings.

The Company Secretary of the Company is acting as the

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Secretary to the Audit Committee.

The Chairman of the Audit Committee, Mr. R. L. Narasimhan was present at the last AGM of the Company held on September 29, 2018.

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

b) Terms of Reference: The terms of reference of the Nomination and Remuneration Committee, inter-alia, includes 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; 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 2018-19, one (1) meeting of the Nomination and Remuneration Committee was held on August 14, 2018. 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	attended
1	Mr. R. L. Narasimhan	1	1
2	Mr. K. M. Lal	1	1
3	Mr. N. N. Khamitkar	1	1

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 present at the last AGM of the Company held on September 29, 2018.

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 calibre 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 bench marked 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 2018-19 are as under:

(Rs. in million)

S. No.	Name	Designation	Salary	Allowances/Perquisites	Total
1.	Mr. Soshil Kumar Jain	Chairman	9.60	1.59	11.19
2.	Dr. Rajesh Jain	Managing Director	6.00	1.30	7.30
3.	Mr. Sandeep Jain	Joint Managing Director	5.52	1.18	6.70
4.	Mrs. Sunanda Jain	Whole-time Director	4.80	1.00	5.80
5.	Mr. Sumit Jain	Director Operations & Projects	3.60	0.58	4.18
6.	Mr. Ankesh Jain	Director Sales & Marketing	1.80	0.62	2.42

Notes:

1. 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.
2. The Company does not have any Stock Option Scheme.
3. 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 42 (C) to the Financial Statements of the Company.
4. 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 2018-19 are as under:

(Rs. in million)

S. No.	Name	Sitting Fees
1	Mr. Ashwini Luthra *	0.10
2	Mr. K. M. Lal	0.27
3	Mrs. Manjula Upadhyay	0.25
4	Mr. Mukul Gupta	0.25
5	Mr. N. N. Khamitkar	0.31
6	Mr. O. P. Kelkar **	Nil
7	Mr. R. L. Narasimhan	0.33

* Appointed as Non-Executive Independent Director w.e.f. 18.10.2018.

** Ceased to be director w.e.f. 21.07.2018 due to his sad demise on 21.07.2018.

The non-executive director is also reimbursed 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 year ended on March 31, 2019.

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

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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 & Share 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.

c) Meetings of Stakeholders' Relationship Committee and attendance of members:

During the financial year 2018-19, six (6) meetings of Stakeholders' Relationship Committee were held on April 12, 2018, May 29, 2018, August 13, 2018, October 05, 2018, November 13, 2018 and February 14, 2019. 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	attended
1	Mr. K. M. Lal	6	5
2	Mr. R. L. Narasimhan	6	4
3	Mr. Sandeep Jain	6	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 29, 2018 and in his absence other member of the Committee viz. Mr. R. L. Narasimhan, authorized by him, attended the AGM.

d) Investors' Grievance Redressal:

The details of Investors complaints received and resolved during the financial year 2018-19 are as under:

No. of Investor Complaints			
Pending as at April 01, 2018	Received from April 01, 2018 to March 31, 2019	Resolved from April 01, 2018 to March 31, 2019	Pending as at March 31, 2019
NIL	NIL	NIL	NIL

The Company put utmost priority to the satisfaction of its shareholders, which is evident from the fact that no complaint was received by the Company during the year under review. 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 shares transfers lying pending as on March 31, 2019.

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
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.
2015-16	28.09.16	11:30 A.M.	No Special Resolution was passed.

b) Extra-ordinary General Meeting:

During the year under review, an Extra-ordinary General Meeting was held at the Registered Office of the Company situated at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The date and time of the Extra-ordinary General Meeting and the special resolutions passed thereat with requisite majority are as under:

Financial Year	Date	Time	Special Resolution(s) passed
2018-19	25.03.19	11:30 A.M.	• Increase in the borrowing limits. • Creation of charge on the assets of the Company to secure borrowings. • Issue of Warrants to the Subscribers on a preferential basis. • Authorising transfer of Pharmaceutical Formulations Business to Wholly Owned Subsidiary of the Company. • Authorising advancing loans, giving guarantees or securities for loans in connection with loans taken by wholly owned subsidiary.

c) Postal Ballot:

During the financial year 2018-19, the Company did not pass any resolution through Postal Ballot.

None of the businesses are proposed to be transacted at the ensuing AGM which requires passing of a Special Resolution through Postal Ballot.

8. Means of communication

a) Results: The Quarterly/Half-Yearly/Annual results are published in one or more of 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 posted/emailed to every shareholder of the Company.

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 Shareholder Information

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 35th AGM is to be held on Monday, the 30th day of September 2019, at 11:30 A.M. at the registered office of the Company situated at Ambala-Chandigarh Highway, Lalru - 140501, Punjab.

Posting of Annual Report	On or before Friday, September 06, 2019
Last date of receipt of Proxy Form	September 28, 2019 before 11:30 A.M.
Remote e-voting Period	From Friday, September 27, 2019 (09:00 A.M.) to Sunday, September 29, 2019 (05:00 P.M.)

c) Financial Year: The financial year of the Company covers the period from April 1 to March 31.

Report on Corporate Governance

d) Financial Calendar 2019-20 (tentative):

S. No.	Tentative Schedule	Tentative Date (on or before)
1.	Financial reporting for the quarter ending June 30, 2019	August 14, 2019
2.	Financial reporting for the quarter ending September 30, 2019	November 14, 2019
3.	Financial reporting for the quarter ending December 31, 2019	February 14, 2020
4.	Financial reporting for the quarter ending March 31, 2020	May 30, 2020
5.	Annual General Meeting for the year ending March 31, 2020	On or before September 30, 2020

e) Date of Book Closure: The Share Transfer Books and Register of Members of the Company will remain closed from Monday, September 23, 2019 to Monday, September 30, 2019 (both days inclusive).

f) Dividend Payment Date: Though the Company has earned profits after tax and exceptional items of Rs.265.70 million during the year but keeping in view the fact that the Company has incurred losses before tax & exceptional items of Rs.2,808.01 million and also with a view to conserve cash flows for the Company's operations, the Board of Directors has decided to invest the amount towards the growth of the Company and 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 up to 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.

Details of the shares transferred and held by IEPF Authority as on March 31, 2019 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	15
5.	Aggregate shares held by IEPF Authority	1,15,278

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, 3 shareholders holding 3,000 equity shares have lodged claims with the Company, for which additional documents have been requested by IEPF Authority and the same is under process.

The voting rights on such unclaimed shares shall remain frozen till the rightful owner claims the shares.

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 2019-20 to both the above stock exchanges and there is no outstanding payment as on date.

i) Stock Code of Equity Shares:

- Trade Symbol at NSE is PANACEABIO.
- Stock Code at BSE is 531349.
- ISIN No. for Dematerialization is INE922B01023.

j) Stock Code of Preference Shares:

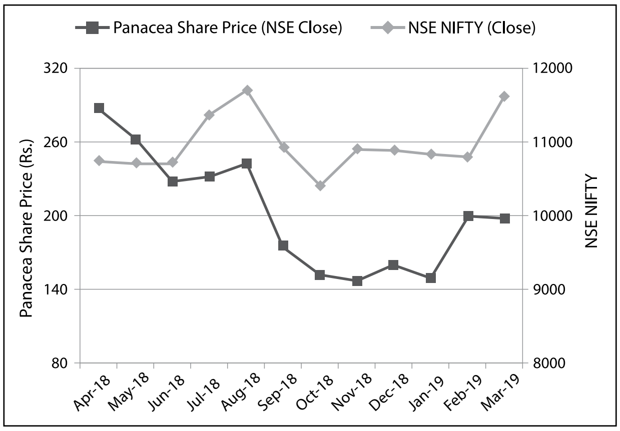
- ISIN No. for Dematerialization is INE922B04019.

Report on Corporate Governance

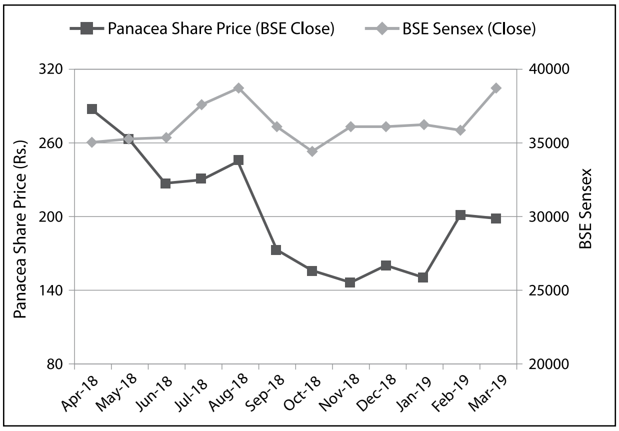
k) Market Price data: The Monthly High and Low prices of the shares of the Company at BSE and NSE during the year ended March 31, 2019 are as under:

Month	Share Price (Rs.) at BSE		Share Price (Rs.) at NSE	
	High	Low	High	Low
April, 2018	353.60	266.00	355.05	263.20
May, 2018	292.20	216.20	291.50	230.55
June, 2018	287.90	218.45	288.25	217.50
July, 2018	244.00	208.95	244.35	206.00
August, 2018	266.75	222.30	269.10	220.10
September, 2018	248.85	168.05	249.90	170.00
October, 2018	176.00	143.10	178.00	140.95
November, 2018	170.00	145.95	169.80	145.20
December, 2018	173.00	138.20	173.80	137.75
January, 2019	186.75	146.55	186.60	146.60
February, 2019	219.00	139.00	215.95	139.05
March, 2019	209.70	164.00	207.70	164.60

Share Performance of the Company in comparison to NSE Nifty



Share Performance of the Company in comparison to BSE Sensex



l) Share Price Performance in comparison to broad based indices - BSE Sensex & NSE NIFTY as on March 31, 2019:

Particulars	March 31, 2018	March 31, 2019	Changes in %
Panacea Biotec's Share Price (closing) at BSE	267.10	198.20	-25.79%
BSE Sensex Closing Price	32,968.68	38,672.91	17.30%
Panacea Biotec's Share Price (closing) at NSE	267.15	198.05	-25.86%
NIFTY Closing Price	10,113.70	11,623.90	14.93%

m) 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.

n) Share Transfer System: The authority for transfer, transmission, dematerialisation and transposition of names of the holders of the Company's shares has been delegated to the Company Secretary and the RTA. The delegated authority generally attends the Share transfer 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 transfers, transmission, transposition and dematerialization are processed by RTA (generally within a week of receipt) and transferred expeditiously and 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 Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

o) 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 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.

Report on Corporate Governance

p) 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.

q) 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.

r) Reconciliation of Share Capital Audit: A Practicing Company Secretary carries out reconciliation of share capital audit 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 2018-19, has been filed with Stock Exchanges within one month of the end of the respective quarter.

s) Distribution of Shareholding as on March 31, 2019:

i) Equity Shares:

Category (Amount) From - To	Shareholders		Equity Shares held	
	Number	% of total no. of Shareholders	Number	% of Shareholding
Upto 2,500	10,651	97.34	23,65,685	3.86
2,501-5,000	157	1.43	5,72,840	0.94
5,001-10,000	48	0.44	3,35,062	0.55
10,001-20,000	28	0.26	3,91,498	0.64
20,001-30,000	10	0.09	2,45,378	0.40
30,001-40,000	8	0.07	2,71,949	0.44
40,001-50,000	3	0.03	1,35,964	0.22
50,001-1,00,000	6	0.05	4,48,518	0.73
1,00,001 and above	31	0.28	5,64,83,852	92.22
Total	10,942	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

t) Pattern of Shareholding as on March 31, 2019:

i) Equity Shares:

S. No.	Category	No. of Shares	%
1.	Promoters and Promoter Group	45,074,866	73.59
2.	Institutional Investors (FIIs, Banks & Mutual Funds)	7,57,562	1.24
3.	NRIs / OCB / Foreign Corporate Bodies/ Foreign Portfolio Investors	2,33,801	0.38
4.	Domestic Companies	75,02,653	12.25
5.	Indian Public/ Trust/ PMS/ Others	76,81,864	12.54
	Total	6,12,50,746	100.00

ii) Preference Shares:

S. No.	Category	No. of Shares	%
1	Promoters and Promoter Group	1,63,00,000	100.00
	Total	1,63,00,000	100.00

u) 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.

v) 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, 2019, 99.58% of the Company's total Equity Share Capital representing 6,09,94,495 Equity Shares were held in dematerialized form and only 2,56,251 Equity Shares were in paper/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.

w) 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 the pharmaceutical sector, faces foreign currency fluctuation risk. Looking at the future long term trend, the Company keeps its position generally open.

x) Plant Locations:

i) Pharmaceuticals Formulations and Oncology facilities at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India

ii) Vaccines Formulations facility at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India

iii) Drug Substance for Vaccines facilities at Samalheri, Ambala-Chandigarh Highway, Lalru-140501, Dist. Mohali (S.A.S. Nagar), Punjab, India.

y) Address for correspondence:

For transfer/ dematerialisation 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 – 110 020, 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

z) Credit Rating: The Company has obtained rating from Credit Analysis & Research Ltd. (CARE) during the financial year 2018-19. During the year, CARE has reaffirmed the credit rating of CARE D (Single D) for Long Term Bank Facilities and for Short Term Bank Facilities of the Company. The details of the same have been disclosed in the Directors' Report forming part of the Annual Report.

10. Other Disclosures:

a) Related Party Transactions: All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI LODR Regulations during the financial year 2018-19 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. 42 of the Notes to the Financial Statements for the year ended March 31, 2019 forming part of the Annual Report.

Report on Corporate Governance

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 the policy has been uploaded on the website of the Company & can be accessed through the link: https://www.panaceabiotec.com/statutory-policies

b) Compliances by the Company: 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 displayed 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): The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)of SEBI LODR Regulations, 2015 during the financial year 2018-19.

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.

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 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 displayed on the website of the Company and can be accessed through the link: https://www.panaceabiotec.com/statutory-policies.

As on March 31, 2019, Radhika Heights Limited was the material non-listed Indian subsidiary of the Company as its 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 2018-19.

The Audit Committee of the Company reviewed the financial statements, in particular the investments made by its all 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 2018-19 was Rs.6.75 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 2018-19. The details of the same have also been disclosed in the Directors' Report forming part of the Annual Report.

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, 2019.

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 sent forthwith to the NSE and BSE, 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. They are also uploaded electronically on the website of NSE & BSE viz. NSE electronic application processing system (NEAPS) and BSE Corporate Announcement, Compliance & Listing Centre, respectively. The results are not separately circulated to the shareholders.

ii) Reporting of Internal Auditors: The Internal auditors of the Company report directly to the Audit Committee.

iii) Prohibition of Insider Trading: The Company has instituted a comprehensive Code of Conduct for its management, staff and relevant business associates, 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 2018-19 is annexed as **Annexure - II** to this Report.

For Panacea Biotec Limited

Place : New Delhi
Dated : August 12, 2019

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, 2019.

For Panacea Biotec Limited

Place : New Delhi
Dated : August 12, 2019

Dr. Rajesh Jain
Managing Director

Annexure to the Report on Corporate Governance

Annexure - II

Certificate from Managing Director & 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, 2019 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 : August 12, 2019

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, 2019, 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, 2019.

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

Place : New Delhi
Dated : August 12, 2019

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 2019, 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 (financial position) of the Company as at 31 March 2019, its profit (financial performance 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 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.

Emphasis of Matters

4. We draw attention to the following notes to the standalone financial statements:
   a. Note 57 to the standalone financial statements regarding capital advances amounting to Rs.176.80 million given to real estate developer for acquiring certain immovable properties in Dubai where the Company has initiated legal recourse.
   b. Note 53 to the standalone financial statements regarding payment of managerial remuneration for the financial years ended 31 March 2019, 2018, 2017, 2016, 2014 and 2013, which is in excess of the limits specified by 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 have not been approved and consequently the Company is required to recover the excess amount thus paid for the said years. The Company has recorded an amount of Rs.154 million as recoverable from the directors towards such excess remuneration paid. The Company has submitted applications to the Central Government for waiver of recovery of excess remuneration paid. Further, as discussed in aforementioned note, 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 stand abated and the Company is in the process of seeking requisite approvals required in accordance with the provisions of Section 197(10) of the Companies Act, 2013.

   Pending the ultimate outcome of the aforesaid matters which is presently unascertainable, no adjustments have been made in the books of accounts. Our opinion is not modified in respect of these matters.

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 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
One-time settlement ('OTS') pursuant to Corporate Debt Restructuring ('CDR') Refer note 18A to the accompanying standalone financial statements. As fully described in note 18A, during the last quarter of the year ended 31 March 2019, 94% of the lenders under the CDR communicated their consent for the Company's proposal for one-time settlement of debt. This proposal also received an in-principle approval from all the lenders on 29 March 2019.	Our audit procedures included but were not limited to the following in relation to one-time settlement of debt: a) Obtained an understanding of the management process for ensuring completeness, appropriateness of recognition and measurement including disclosure of the OTS transaction as at the year end. b) Reviewed the minutes of the joint lender forum meetings held during the year ended 31 March 2019, OTS sanction letters and no dues certificates issued by the respective

Independent Auditors' Report

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Pursuant to the CDR, the Company has repaid the borrowings as agreed in the CDR subsequent to the year-end. Accordingly, during the year ended 31 March 2019, the Company has written back the outstanding debt and interest which has been waived off under the CDR and disclosed it as an 'exceptional item' in the Standalone Statement of Profit and Loss.

We identified this as key audit matter for current year audit owing to the materiality of the amounts involved in this matter, significant efforts involved in accounting assessment by the management for recording the above transaction and also being a matter on which we had various discussions with those charged with governance during the year then ended.</td><td>lenders banks pursuant to CDR. Further, reviewed the minutes of the relevant meetings of the Board of Directors of the Company, approving the OTS transaction.
c) Traced the bullet repayment made by the Company to various lenders pursuant to the CDR to the underlying bank statements and remittance documents.
d) Reviewed the assessment performed by the management for accounting this transaction in accordance with Ind AS 109, Financial Instruments and Ind AS 10, Events after the Reporting Date.
e) Re-computed the amounts to be written back pursuant to one-time settlement of debt for the year ended 31 March 2019 and agreed it with the management's computation.
f) Evaluated the appropriateness of the disclosures made in the standalone financial statements of the Company with respect to this matter.</td></tr>
<tr><td>Discontinued operations
Refer note 1 and 36 to the accompanying standalone financial statements for the accounting policy and related financial disclosures respectively.

During the current year ended 31 March 2019, the management of the Company has 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 36, the management's plan of divestment of Pharma segment to its wholly owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") has been approved by the shareholders of the Company in an extra-ordinary general meeting held on 25 March 2019 and management intends to bring synergies in the existing segments and reprioritize its product portfolios.
Consequently, the Company has 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.
B) Demerger of real estate segment:
As further explained in note 36, the Company has 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 have 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 Pharma segment and 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'.

Accordingly, net profit/(loss) from the respective Pharma segment and the real estate segment amounting to Rs.95.8 million and Rs.(49.5) million for the year ended 31 March 2019 has been presented as profit/ (loss) from discontinued</td><td>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) Reviewed the minutes of the respective meetings of the Board of Directors and the shareholders of the Company approving the respective transactions.
c) 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.
d) 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.
e) With respect to matter (a), read the BTA signed between the Company and PBPL for divestment of the Pharma segment.
f) With respect to matter (b) read the draft demerger scheme to be filed with the National Company Law Tribunal for implementing the demerger.
g) Assessed reasonableness of management's judgement with respect to the likelihood and expected timing of the implementation of the restructuring.
h) Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements of the Company in accordance with the applicable accounting standards.</td></tr>
</table>

Independent Auditors' Report

Key audit matter	How the matter was addressed in the audit
operations in the Standalone Statement of Profit and Loss and the related assets /(liabilities) of the Pharma segment and the real estate business are classified as 'assets / (liabilities) classified as held for sale' in the Standalone Balance Sheet as at 31 March 2019. 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, exercise of management judgments with respect to identification and segregation of assets and liabilities and allocation of corporate income/ expenses to Pharma and real estate segments.	
Going concern basis of accounting: Refer note 54 to the accompanying standalone financial statements. The Company has incurred loss before tax amounting to Rs.2,808.0 million for the year ended 31 March 2019 and its current liabilities exceed its current assets by Rs.5,926.1 million. While the above indicates doubts about the Company's ability to continue as a going concern, as mentioned in aforesaid Note 54 the Company has taken the following mitigating factors in its assessment of going concern basis of accounting: • Execution of investment agreements dated 6 April 2019 with a new lender to obtain long-term funds upto Rs.9,920 million by way of non-convertible debentures and share warrants to be allotted on preferential basis; • Settlement of debt and other restructuring activities; and • Increased operational measures towards vaccine and pharmaceutical formulation business segment. Management has prepared a cash flow forecast for next year taking into cognizance the above developments including the revised repayment schedule on the new debt and performed a sensitivity analysis of the key assumptions used therein to assess whether the Company would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least next twelve months from the end of the current reporting date and concluded that the going concern basis of accounting used for the preparation of accompanying standalone financial statements is appropriate with no material uncertainty. We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter for the current year audit due to the pervasive impact thereof on the standalone financial statements and the significant judgments and assumptions that are inherently subjective and dependent on future events, involved in the preparation of cash flow forecasts and the overall conclusion.	Our audit procedures included, but were not limited to, the following in relation to the assessment of appropriateness of going concern basis of accounting: a) 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, prepare a robust cash flow forecast. b) 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. c) Reconciled the cash flow forecast to the future business plan of the Company as approved by the Board of Directors d) 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 discussed the same with the management and Audit Committee. e) 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 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 maybe. f) 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. g) Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. h) Traced receipt of money through issue of non-convertible debentures subsequent to the year-end to the Company's bank statements and other supporting documents. i) Evaluated the appropriateness and adequacy of the going concern disclosures, in the standalone financial statements of the Company.

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 financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

Independent Auditors' Report

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

When we read the 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 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 state of affairs (financial position), profit or loss (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 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 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. The 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 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 financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Independent Auditors' Report

Report on Other Legal and Regulatory Requirements

16. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year which is in excess of the 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, we report that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) the 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) 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 2019 from being appointed as a director in terms of Section 164(2) of the Act;
    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2019 as per Annexure B expressed unmodified opinion; and
    g) with respect to the other matters to be included in the Auditors' 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 39(A) to the standalone financial statements, has disclosed the impact of pending litigation(s) on its financial position as at 31 March 2019;
        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 2019;
        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 2019; 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

Place : New Delhi
Date : May 30, 2019

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 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, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid 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 Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

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 dues payable to debenture-holders. The Company has defaulted in repayment of loans/borrowings to the following banks, financial institutions and governments including interest thereon:

Name of the Bank/ institution	Amount of default as on 31 March 2019 (in million)	Period of default
Bank of India – Foreign Currency Loan	576.25	192 days
Bank of India – Foreign Currency Loan	576.25	557 days
Bank of India	11.36	ranging from 10 to 192 days
Canara Bank	2.66	ranging from 10 to 192 days
Edelweiss Asset Reconstruction Company	43.23	ranging from 10 to 192 days
IDBI Bank	0.18	10 days
Indian Overseas Bank	88.26	ranging from 10 to 192 days
State Bank of India	168.24	ranging from 10 to 192 days
Union Bank of India	3.38	ranging from 10 to 192 days
Biotechnology Industrial Research Assistance Council	14.00	ranging from 10 to 192 days

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) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

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) The Company has provided and paid managerial remuneration which is not in accordance with the requisite approval mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

Further as mentioned in Note 53 to the standalone financial statements, the Company has paid managerial remuneration, which is not in accordance with the requisite threshold mandated by the provisions of Companies Act 2013/erstwhile 1956 for the relevant years ended March 31 2019, 2018, 2017, 2016, 2014 and 2013:

The details are as follows:

S. No.	Payment made to	Amount Paid/provided in excess of limits prescribed (Rs. in million)	Amount due for recovery as at 31 March 2019 (Rs. in million)	Steps taken to secure the recovery of the amount (See note a below)	Remarks (if any)
1.	Managing/Joint Managing and Whole Time Director	14.3	14.3	The Company is in the process of seeking necessary approval for waiver of recovery of excess remuneration paid	Remuneration pertains to year ended March 31, 2013
2.	Managing/Joint Managing and Whole Time Director	14.8	14.8		Remuneration pertains to year ended March 31, 2014
3.	Whole Time Director	2.6	2.6		Remuneration pertains to year ended March 31, 2016
4.	Managing/Joint Managing and Whole Time Director	43.0	43.0		Remuneration pertains to year ended March 31, 2017
5.	Managing/Joint Managing and Whole Time Director	41.6	41.6		Remuneration pertains to year ended March 31, 2018
6.	Managing/Joint Managing and Whole Time Director	37.6	37.6		Remuneration pertains to year ended March 31, 2019

a) Pending receipt of necessary approvals, the Company has recorded a receivable amounting to Rs.154.0 million as recoverable from the relevant directors.

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; and

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

Place : New Delhi
Date : May 30, 2019

Annexure To the Auditors' Report

Annexure B

Independent Auditors' Report on the Internal Financial Controls 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 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 auditors' 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 over financial reporting and such controls were operating effectively as at 31 March 2019, 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 ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anupam Kumar
Partner
Membership No.: 501531

Place : New Delhi
Date : May 30, 2019

Balance Sheet

As at March 31, 2019

(Rs. in million)

	Note No.	**As at March 31, 2019**	As at March 31, 2018
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	4,948.72	8,865.60
b) Capital work-in-progress	2.2	29.52	47.57
c) Intangibles assets	2.3	15.66	43.68
d) Intangible assets under development	2.4	1.52	324.04
e) Financial assets			
(i) Investments	3	25.36	3,448.77
(ii) Loans	4	6.34	9.93
(iii) Other financial assets	5	8.86	2.51
f) Deferred tax assets (net)	6	192.04	219.86
g) Income tax assets	7	10.23	14.41
h) Other non-current assets	8	21.03	222.00
Total non-current assets		5,259.28	13,198.37
Current assets			
a) Inventories	9	425.05	1,490.95
b) Financial assets			
(i) Trade receivables	10	251.95	1,422.66
(ii) Cash and cash equivalents	11	49.58	65.24
(iii) Other bank balances	12	28.95	52.68
(iv) Loans	13	162.02	149.87
(v) Other financial assets	14	8.77	51.71
c) Other current assets	15	158.23	303.40
Total current assets		1,084.55	3,536.51
Assets classified as held for sale and discontinued operations	36	8,076.52	-
Total assets		14,420.35	16,734.88
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	61.25	61.25
b) Other equity	17	4,123.47	3,819.72
Total equity		4,184.72	3,880.97
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	18	883.04	5,707.08
b) Provisions	19	134.92	251.24
c) Other non-current liabilities	20	6.81	42.92
Total non-current liabilities		1,024.77	6,001.24
Current liabilities			
a) Financial liabilities			
(i) Borrowings	21	693.85	1,938.21
(ii) Trade payables	22		
- Outstanding dues of micro, small and medium enterprises		16.17	34.71
- Outstanding dues of creditors other than above		762.64	2,383.67
(iii) Other financial liabilities	23	5,330.49	2,278.27
b) Other current liabilities	24	110.90	149.88
c) Provisions	25	21.87	67.93
d) Current tax liabilities (net)	26	74.75	-
Total current liabilities		7,010.67	6,852.67
Liabilities directly associated with discontinued operations	36	2,200.19	-
Total equity and liabilities		14,420.35	16,734.88
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 : May 30, 2019

Panacea Biotec
Innovation in support of life

Statement of Profit and Loss

For the Year ended March 31, 2019

(Rs. in million)

	Note No.	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Continuing operations			
Income			
Revenue from operations	27	962.10	1,839.80
Other income	28	35.25	125.01
Total income		997.35	1,964.81
Expenses			
Cost of materials consumed	29	591.33	920.48
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	172.95	(39.72)
Excise duty		-	2.63
Employee benefits expense	31	411.58	359.72
Finance costs	32	1,046.33	1,032.28
Depreciation and amortisation expense	33	330.30	336.94
Other expenses	34	1,252.87	677.74
Total expenses		3,805.36	3,290.07
Profit/(loss) before exceptional items and tax		(2,808.01)	(1,325.26)
Exceptional items	35	3,133.49	-
Profit/(loss) before tax		325.48	(1,325.26)
Tax expense	37		
Current tax		74.75	-
Deferred tax		31.33	106.42
Total tax expense		106.08	106.42
Profit/(loss) for the year from continuing operations		219.40	(1,431.68)
Profit/(loss) before tax from discontinued operations	36	46.30	712.92
Tax expense of discontinued operations		-	-
Profit/(loss) after tax from discontinued operations		46.30	712.92
Profit/(loss) for the year		265.70	(718.76)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit plans		(10.01)	(21.77)
Income tax on above		3.50	7.61
Total other comprehensive income (net of tax)		(6.51)	(14.16)
Total comprehensive income for the year		259.19	(732.92)
Earnings per equity share for continuing operations (face value of Re.1 each)	38		
- Basic and diluted earnings per equity share (in Rs.)		3.58	(23.37)
Earnings per equity share for discontinued operations (face value of Re.1 each)			
- Basic and diluted earnings per equity share (in Rs.)		0.76	11.64
Earnings per equity share (for continuing and discontinued operations) (face value of Re.1 each)			
- Basic and diluted earning per equity share (in Rs.)		4.34	(11.73)
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 : May 30, 2019

Cash Flow Statement for the Year ended March 31, 2019
(Indirect Method)

(Rs. in million)

	Note No.	**For the year ended March 31, 2019**	For the year ended March 31, 2018
A. Cash flow from operating activities			
Profit/(loss) before tax from continuing operations		325.48	(1,325.26)
Profit/(loss) before tax from discontinued operations		46.30	712.92
Adjustment for			
Depreciation and amortisation expense		537.10	570.47
Finance costs		1,046.33	1,032.28
Allowance for expected credit loss and doubtful advances		44.35	72.28
Impairment of non-financial assets		-	1.68
Interest income		(38.51)	(80.81)
Bad debts and advances written off		103.31	-
Property, plant and equipments written off		318.57	-
Loss/(gain) on sale of property, plant and equipment (net)		5.19	0.08
Excess provisions written back		(2.92)	(44.97)
Unrealized foreign exchange loss (net)		168.80	53.01
Dividend income		(0.03)	(0.02)
Intangibles assets under development provided /written off		233.86	-
Provision for impairment of investment		38.56	-
Adjustment on settlement of debts (refer note 55)		(3,133.49)	-
Operating profit before working capital changes		(307.10)	991.66
Changes in working capital			
Inventories		730.90	(86.77)
Trade receivables		429.70	246.94
Other financial assets		24.23	(2.27)
Loans		(33.51)	(46.66)
Other current assets		(30.52)	354.60
Trade payables		195.47	177.73
Other financial liabilities		(2.51)	38.91
Other current liabilities		(11.44)	(59.92)
Provisions		72.15	110.90
Cash flow from operating activities post working capital changes		1,067.37	1,725.13
Income tax (paid)/refund (net)		4.18	(4.54)
Net cash flow from operating activities (A)		1,071.55	1,720.59
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)		(46.70)	(150.06)
Proceeds from sale of property, plant and equipment		-	0.13
Interest received		6.42	73.65
Dividend received		0.03	0.02
Investment in shares of subsidiary		(1.00)	(79.73)
Realisation on disposal of assets held for sale		-	136.49
Investments in bank deposits having original maturity of more than three months		(42.06)	(7.80)
Net cash used in investing activities (B)		(83.31)	(27.30)
C. Cash flow from financing activities			
Proceeds from non-current borrowings		-	57.97
Repayment of non-current borrowings		(155.39)	(348.15)
Proceeds from current borrowings		-	40.00
Repayment of current borrowings		(192.13)	(298.28)
Interest paid		(637.02)	(1,088.22)
Net cash used in financing activities (C)		(984.54)	(1,636.68)
Increase /(Decrease) in net cash and cash equivalents (A+B+C)		3.70	56.61
Cash and cash equivalents at the beginning of the year		65.24	8.63
Changes in cash and cash equivalents pertaining to discontinued operations		(19.36)	-
Cash and cash equivalents at the end of the year (refer note 11)		49.58	65.24
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 : May 30, 2019

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

	(Rs. in million)
Opening Balance as at April 01, 2017	61.25
Changes during the year	-
Closing balance as at March 31, 2018	61.25
Change during the year	-
Closing balance as at March 31, 2019	61.25

B. Other equity

(Rs. in million)

	Equity component of compound financial instruments	Reserves and surplus					Total
		Retained earnings	General reserve	Securities premium account	Capital redemption reserve	Foreign currency monetary item translation difference account	
Balance as at April 1, 2017	96.39	2,216.43	364.99	897.05	1,022.34	(100.25)	4,496.95
Profit/(Loss) for the year	-	(718.76)	-	-	-	-	(718.76)
Other comprehensive income for the year (net of tax)	-	(14.16)	-	-	-	-	(14.16)
Total comprehensive income for the year	-	(732.92)	-	-	-	-	(732.92)
Movement during the period	-	-	-	-	-	55.69	55.69
Balance as at March 31, 2018	96.39	1,483.51	364.99	897.05	1,022.34	(44.56)	3,819.72
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 period	-	-	-	-	-	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
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 : May 30, 2019

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, 2019

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 Bombay Stock Exchange 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 branded pharmaceutical formulations and vaccines.

The Company has its registered 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 statement of the Company. The Company has also prepared consolidated financial statement for the year ended March 31, 2019 in accordance with Ind AS 110 which were also approved by the Board of Directors, along with these financial statements on May 30, 2019. 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 provision of the Act.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 which is considered as "Previous GAAP". The financial statements for the year ended March 31, 2018 were the first Ind AS financial statements of the Company.

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:

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, the Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in Other Entities

These amendments did not have any impact on the amounts recognised in prior periods and are 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.

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 land is amortised over the period of lease

iii) 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.

Summary of Significant Accounting Policies for the year ended March 31, 2019

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.

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

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.

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.

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

Summary of Significant Accounting Policies for the year ended March 31, 2019

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 director (chairman 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.

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 results of the Company as a whole.

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

Summary of Significant Accounting Policies for the year ended March 31, 2019

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 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 Standard issued but not yet effective:

a) Ind AS 116 'Leases': On 30th March, 2019, the Ministry of Corporate Affairs has notified Ind AS 116: Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the profit or Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019.

b) Ind AS 12 'Taxes': On 30th March, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

   Dividend distribution tax: On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

   The effective date for adoption of Ind AS 12 is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on 1st April, 2019. The Company is currently evaluating the effect of these amendments on the financial statements.

c) Amendment to Ind AS 19, plan amendment, curtailment or settlement: On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company does not have any impact on account of this amendment.

2.1 Property, plant and equipment

(Rs. in million)

Description	Freehold land	Leasehold land	Building	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
Gross carrying value									
As at April 1, 2017	2,370.74	291.85	4,150.41	6,842.35	343.80	110.48	224.22	195.11	14,528.96
Additions	-	-	1.31	52.49	0.37	-	0.37	1.85	56.39
Disposals	-	-	-	0.20	-	1.88	1.74	-	3.82
As at March 31, 2018	2,370.74	291.85	4,151.72	6,894.64	344.17	108.60	222.85	196.96	14,581.53
Additions	-	-	-	0.61	0.09	-	0.63	1.12	2.45
Disposals	-	-	-	1,276.57	63.40	6.21	56.40	44.42	1,447.00
Transfer to discontinued operations (refer note 36)	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
Accumulated depreciation									
As at April 1, 2017	-	21.27	748.90	3,621.35	292.78	93.19	211.15	179.54	5,168.18
Charge for the year	-	4.04	101.79	422.16	13.60	5.03	0.95	3.79	551.36
Disposals	-	-	-	0.14	-	1.74	1.73	-	3.61
As at March 31, 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	-	-	-	958.76	59.84	5.84	53.55	42.17	1,120.16
Transfer to discontinued operations (refer note 36)	-	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
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
Net block as at March 31, 2018	2,370.74	266.54	3,301.03	2,851.27	37.79	12.12	12.48	13.63	8,865.60

Notes : a) Plant and equipment includes plant and machinery amounting to Rs.Nil (March 31, 2018: Rs.0.86 million) (net block) lying with third parties.
b) Property, plant and equipment pledged as security: Refer note 43 for information on assets pledged and mortgaged as security.
c) Contractual commitments: Refer note 39(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, 2017	59.77
Add: addition during the year	44.19
Less: capitalisation during the year	(56.39)
As at March 31, 2018	47.57
Add: addition during the year	9.66
Less: Disposal	-
Less: capitalisation during the year	(2.45)
Transfer to discontinued operations (refer note 36)	(25.26)
As at March 31, 2019	29.52

Notes :
i) The capital work-in-progress relates to construction and installation of property, plant and equipment.
ii) Refer note 43 for information on assets pledged and mortgaged as security.

Notes to the financial statements for the year ended March 31, 2019

2.3 Intangible assets

(Rs. in million)

Description	Patent, trademark and copyrights	Softwares	Websites	Product development	Total
Gross carrying value					
As at April 1, 2017	74.31	236.33	9.20	520.65	840.49
Additions	-	1.19	-	2.24	3.43
Disposals	-	-	-	-	-
As at March 31, 2018	74.31	237.52	9.20	522.89	843.92
Additions	-	-	-	-	-
Disposals	6.60	11.25	-	12.21	30.06
Transfer to discontinued operations (refer note 36)	18.55	21.24	-	441.00	480.79
As at March 31, 2019	49.16	205.03	9.20	69.68	333.07
Accumulated amortisation					
As at April 1, 2017	68.95	217.97	9.20	485.00	781.12
Charge for the year	1.14	7.76	-	10.22	19.12
Disposals	-	-	-	-	-
As at March 31, 2018	70.09	225.73	9.20	495.22	800.24
Charge for the year	1.01	7.09	-	7.07	15.17
Disposals	3.78	9.51	-	5.49	18.78
Transfer to discontinued operations (refer note 36)	18.16	20.08		440.98	479.22
As at March 31, 2019	49.16	203.23	9.20	55.82	317.41
Net block as at March 31, 2019	-	1.80	-	13.86	15.66
Net block as at March 31, 2018	4.22	11.79	-	27.67	43.68

Note :
Intangible assets pledged as security: Refer note 43 for information on assets pledged and mortgaged as security.

2.4 Intangible assets under development

(Rs. in million)

Description	Amount
As at April 1, 2017	217.06
Add: addition during the year	110.41
Less: capitalisation during the year	(3.43)
As at March 31, 2018	324.04
Add: addition during the year	39.23
Less: Disposal	(222.13)
Less: capitalisation during the year	-
Transfer to discontinued operations (refer note 36)	(139.62)
As at March 31, 2019	1.52

Notes :
i) The intangible under development relates to product registration, patent, technical know-how and software.
ii) Refer note 43 for information on assets pledged and mortgaged as security.

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018
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, 2018: 4,776,319) equity shares of Re.1 each, fully paid up in Radhika Heights Limited (refer note 36(ii))	3,385.65	3,385.65
	b) 1,000 (March 31, 2018: 1,000) equity shares of USD 0.01 each, fully paid up in Rees Investments Limited (refer note 56)	0.00	0.00
	c) 6,000 (March 31, 2018: 6,000) equity shares of CHF 100 each, fully paid up in Panacea Biotec (International) S.A. Switzerland (refer note 56)	34.36	34.36
	d) 419,767 (March 31, 2018: 419,767) equity shares of Rs.10 each, fully paid in PanEra Biotec Private Limited	4.20	4.20
	e) 90,000 (March 31, 2018: 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, 2018: Nil) equity shares of Re.1 each, fully paid up in Panacea Biotec Pharma Limited (refer note 36(i))	1.00	-
		3,426.11	3,425.11
	Less: Provision for impairment	38.56	-
	Less: transferred to discontinued operations (refer note 36)	3,385.65	-
		1.90	3,425.11
B.	Investment in equity instruments of Joint venture company (unquoted):		
	a) 2,295,910 (March 31, 2018: 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)		
C.	Investment in equity instruments of other entities (unquoted):		
	a) 20,250 (March 31, 2018: 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, 2018: 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 36)	0.20	-
		0.50	0.70
	Total investments	25.36	3,448.77
	Aggregate amount of unquoted investments	25.36	3,448.77
	Aggregate amount of impairment in value of investments	38.56	-
4.	**Loans (non-current)**		
	Unsecured, considered good		
	Security deposits	6.34	9.93
	Unsecured, considered doubtful		
	Loans to related parties (refer note (i) and (ii) below)	74.69	289.10
		81.03	299.03
	Less : allowance for doubtful loans	(74.69)	(289.10)
	Total	6.34	9.93
	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 42 for related party disclosure. Loan of Rs.246.50 million as on March 31, 2019, to Panacea Biotec Germany GmbH is included in the assets held for discontinued operations.		
5.	**Other financial assets (non-current)**		
	Bank deposits with maturity of more than 12 months	8.86	2.51
	Total	8.86	2.51
	Notes:		
	i) Fixed deposits amounting to Rs.8.86 million (March 31, 2018: Rs.2.51 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, 2019

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
6. Deferred tax assets (net)		
Deferred tax liabilities arising on account of		
Property, plant and equipment and intangible assets	1,465.88	1,762.80
Capital expenditure on research and development	8.44	105.93
Others	-	0.77
	1,474.32	1,869.50
Deferred tax assets arising on account of		
Expenditure allowed on payment basis	407.06	425.54
Unabsorbed business losses and depreciation	1,051.76	1,385.86
Minimum alternative tax credit entitlement	192.04	219.87
Others	15.50	58.09
	1,666.36	2,089.36
Total	192.04	219.86
Note: Refer note 37 for changes in deferred tax balances.		
7. Income tax assets (net)		
Advance taxes	1,712.14	1,716.31
Less: provision for taxes	(1,701.91)	(1,701.90)
Total	10.23	14.41
8. Other non-current assets		
(Unsecured, considered good)		
Capital advances	3.20	180.33
Balances with statutory authorities	17.83	40.28
Prepaid expenses	-	1.39
Total	21.03	222.00
Note: Refer note 43 for information on assets pledged and mortgaged as security.		
9. Inventories		
(lower of cost or net realisable value)		
Raw materials (including packing materials)	177.75	721.15
Finished goods	117.63	345.18
Traded goods	-	77.95
Work-in-progress	75.17	218.72
Stores and spares	54.50	127.95
Total	425.05	1,490.95
Note: Refer note 43 for information on assets pledged and mortgaged as security.		
10. Trade receivables		
Unsecured, considered good	308.36	1,462.69
Unsecured, considered doubtful	8.50	21.79
	316.86	1,484.48
Less: allowance for expected credit loss	(56.41)	(40.03)
Less: allowance for doubtful debts	(8.50)	(21.79)
Total	251.95	1,422.66
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	49.34	64.35
- in exchange earners' foreign currency accounts	-	0.46
Cash on hand	0.24	0.43
Total	49.58	65.24
12. Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months (refer note (i) below)	28.95	52.56
Unpaid dividend accounts (refer note (ii) below)	-	0.12
Total	28.95	52.68

Notes:

i) Fixed deposits amounting to Rs.28.95 million (March 31, 2018: Rs.52.56 million) are pledged/ deposited with banks and various Government authorities for tender, bank guarantee, margin money etc.

ii) Not available for use by the Company as these represent corresponding unpaid/unclaimed dividend liabilities.

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
13. Loans (current)		
Unsecured, considered good		
Security deposits	2.21	18.06
Loan to employees (refer note 53)	159.81	131.81
Unsecured, considered doubtful		
Loans to related parties (refer note 42)	585.16	585.16
	747.18	735.03
Less : allowance for doubtful loans (refer note 42)	(585.16)	(585.16)
Total	162.02	149.87

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.

	As at March 31, 2019	As at March 31, 2018
14. Other financial assets (current)		
Unsecured, considered good		
Insurance claim receivables	-	1.23
Export benefits receivable	8.77	42.68
Others	-	7.80
Total	8.77	51.71

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 43 for information on assets pledged and mortgaged as security.

	As at March 31, 2019	As at March 31, 2018
15. Other current assets		
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	8.26	43.79
Balances with statutory authorities	74.52	107.29
Advance to suppliers		
- considered good	75.45	152.32
- considered doubtful	33.97	41.44
	192.20	344.84
Less: allowance for doubtful advances	(33.97)	(41.44)
Total	158.23	303.40

Note: Refer note 43 for information on assets pledged and mortgaged as security.

	As at March 31, 2019	As at March 31, 2018
16. Share capital		
a) Authorised		
i) 125,000,000 (March 31, 2018: 125,000,000) Equity Shares of Re.1 each	125.00	125.00
ii) 110,000,000 (March 31, 2018: 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, 2018: 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, 2019		As at March 31, 2018	
	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

Notes to the financial statements for the year ended March 31, 2019

e) Details of shareholders holding more than 5% of equity shares in the Company:

	As at March 31, 2019		As at March 31, 2018	
	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%	4,046,617	6.61%
Sandeep Jain (HUF)	4,105,000	6.70%	4,105,000	6.70%
Serum Institute of India Pvt. Ltd.	5,774,732	9.43%	5,774,732	9.43%
Mr. Adar Cyrus Poonawala	3,157,034	5.15%	3,157,900	5.16%

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)) are fully serviced and the 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 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(D).

g) Reconciliation of 0.5% cumulative non-convertible and non-participating redeemable preference shares:

	As at March 31, 2019		As at March 31, 2018	
	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 36), 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 Transferee Company shall issue equivalent number of preference shares to the preference shareholders.

i) Detail 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, 2019		As at March 31, 2018	
	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, 2019	As at March 31, 2018
17. Other equity*		
Equity component of compound financial instruments (refer note 16 (f) to (i) and 18(D))	96.39	96.39
Reserves and Surplus:		
Retained earnings	1,742.70	1,483.51
General reserve	364.99	364.99
Security premium account	897.05	897.05
Capital redemption reserve	1,022.34	1,022.34
Foreign currency monetary item translation difference account	-	(44.56)
Total	4,123.47	3,819.72
* For changes in balances of reserves, refer to the Statement of Changes in Equity.		

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 account: 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 account : Exchange difference arising on long term foreign currency monetary items related to foreign currency term loan.

Other comprehensive income: The Company has recognised remeasurements benefits on defined benefits plans through other comprehensive income.

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
18. Borrowings (non-current)		
Term loans from banks (secured)		
Foreign currency term loans from banks (refer note (A), (B) and (E) below)		
Bank of India	1,136.70	1,627.27
Rupee loans		
Term loan from banks (refer note (A), (B) and (E) below)		
Indian Overseas Bank	660.57	915.00
State Bank of India [loan - I]	894.45	1,400.07
State Bank of India [loan - II]	450.13	704.70
Working capital term loan (refer note (A), (B) and (E) below)		
Axis Bank	-	4.39
Bank of India	33.70	54.31
Canara Bank	21.35	33.41
IDBI Bank	14.97	15.76
Indian Overseas Bank	29.96	41.59
State Bank of India	334.50	523.19
Union Bank of India	26.02	40.72
Funded interest term loan (refer note (A), (B) and (E) below)		
Axis Bank	-	3.02
Bank of India	82.70	134.68
Canara Bank	12.94	20.29
IDBI Bank	10.28	10.82
Indian Overseas Bank	162.67	225.33
State Bank of India	376.15	622.51
Union Bank of India	15.59	24.46
Rupee Term loans from others		
Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer note (C) (1) and (2) below)	59.50	61.00
Department of Science & Technology ("DST") (unsecured) (refer note (C) (3) below)	8.00	8.00
Edelweiss Assets Reconstruction Co. Ltd. ("EARC") [loan - I] (secured) (refer note (A), (B) and (E) below)	883.57	1,005.76
EARC [loan - II] (secured) (refer note (A), (B) and (E) below)	127.13	129.80
Technology Development Board ("TDB") (secured) (refer note (C) (4) below)	57.98	57.98
Unsecured:		
Liability component of compound financial instruments		
16,300,000 (March 31, 2018: 16,300,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs.10 each (refer note (D) below)	105.44	94.60
Loan from related parties (refer note (C) (5) below and note 47)	266.80	-
Loan from bodies corporate (refer note (C) (5) below and note 47)	421.82	-
	6,192.92	7,758.66
Less: current maturities of non-current borrowings (disclosed under note 23)	(5,309.88)	(2,051.58)
Total	883.04	5,707.08

Notes:

Rate of interest - The Company's long term borrowings are at an effective weighted average rate of 11% (March 31, 2018: 11%) per annum.

(A) Loans under Corporate Debt Restructuring (CDR):

1 All the long-term loans and sustainable working capital borrowings from the banks have been restructured under the CDR package approved by the Corporate Debt Restructuring Empowered Group (CDR- EG) on September 24, 2014, except foreign currency term loan from Bank of India.

2 During the year, the CDR Lenders have considered the CDR scheme as failed CDR and exit from CDR due to non-compliance with the pending conditions but not due to default for payment of principal/ interest as per agreed terms of CDR. Consequently, the CDR Lenders classified the Company's account as non-performing asset. The Company has reached bilateral settlements of its debts with each CDR lender individually. In view of above, all the loans from CDR Lenders have been considered as current and considered as part of current maturities of non-current borrowings. Also refer note 55.

(B) Securities for the non-current loans and sustainable working capital borrowings:

1 The long-term borrowings, except rupee term loans from BIRAC, TDB and DST have been secured by way of :

i) first pari-passu charge over entire fixed assets (both present and future) of the Company, by way of mortgage of the immovable properties and hypothecation of all movable fixed assets; and

ii) second pari passu charge over entire current assets (both present and future) of the Company, by way of hypothecation and/or pledge of all current assets including all receivable, finished goods, raw materials, work in progress, consumable stores and spares, book debts and bills receivable.

2 The sustainable working capital facilities (fund based, non-fund based, buyer credits etc.) have been secured by way of:

i) first pari-passu charge over entire current assets (both present and future) of the Company, by way of hypothecation and/or pledge of all current assets including all receivable, finished goods, raw materials, work in progress, consumable stores and spares, book debts, bills receivable; and

ii) second pari-passu charge over entire fixed assets (both present and future) of the Company, by way of mortgage of the immovable properties and hypothecation of all movable fixed assets.

3 The long-term borrowings and sustainable working capital facilities, restructured under the CDR package, have been additionally secured by personal guarantees and pledge of equity shares of the Company held by three promoter directors of the Company viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. The personal guarantee and pledge of equity shares of the Company held by Mr. Ravinder Jain and Mr. Sumit Jain were pending during the year. In the meantime, Mr. Ravinder Jain ceased to be promoter and director due to his demise on February 21, 2018.

4 The long-term loans and working capital facilities from State Bank of India and EARC (loan I) are additionally secured by way of mortgage of personal property of promoter directors, viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain, situated at House No.18 (Middle and Rear Portions), Block No.56, East Park Road, Karol Bagh, New Delhi.

5 The details of immovable properties of the Company mortgaged in favour of SBI CAP Trustee Co. Ltd. (acting as trustee on behalf of the CDR Lenders) to secure the long-term borrowings and sustainable working capital borrowings as mentioned above, are as under:

Notes to the financial statements for the year ended March 31, 2019

i. All parcels of lands admeasuring 96 Bighas 19 Biswa situated at Village Samelheri, Tehsil Dera bassi, District S.A.S. Nagar (Mohali), Punjab;
ii. All parcels of land admeasuring 93 Bighas, 12 Biswa and 10 Biswansi situated at Village Samelheri, Tehsil Derabassi, District S.A.S. Nagar (Mohali), Punjab;
iii. 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;
iv. All parcels of land admeasuring 91 Bighas 1 Biswa, comprised in various Khewat/Khatoni Numbers situated at Village Malpur, Tehsil Baddi, District Solan, Himachal Pradesh;
v. All parcels of Land bearing Plot No. E-4, Phase-2, Area measuring 9435.66 Sq.Yds., situated at Industrial Area S.A.S. Nagar, District S.A.S. Nagar (Mohali), Punjab;
vi. 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;
vii. 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;
viii. Plot no.35 & 36 measuring 900 sq. yds. each at Silver City Main, Village Bishanpura, MC Zirakpur, Tehsil Dera Bassi, District SAS Nagar (Mohali), Punjab;
ix. 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.
x. Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri (East), Mumbai;
xi. 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;
xii. 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
xiii. 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 loans outside the CDR Scheme:

1. Rupee term loan from BIRAC for H1N1 influenza vaccine project, with amount outstanding of Rs.49.00 million (March 31, 2018: Rs.70.00 million), was rescheduled in the financial year 2015-16. It 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.
2. Rupee term loan from BIRAC for Streptococcus pneumococcal conjugate vaccine project, with amount outstanding of Rs.10.50 million (March 31, 2018: Rs.12.00 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.
3. The unsecured rupee term loan from DST of Rs.8.00 million (March 31, 2018: Rs.8.00 million), is for specific project and is repayable in ten equal annual instalments commencing from September 2012.
4. Rupee term loan from TDB of Rs.57.98 million as at March 31, 2018 (Rs.57.98 million) is for Dengue vaccine project and is repayable in nine equal half-yearly instalments commencing from July 1, 2020 and is secured by way of (i) first pari-passu charge 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.
5. Loan from related parties and loan from bodies corporate mentioned above are payable after April 7, 2024.

(D) Liability component of compound financial instruments:

i) 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, 2019	As at March 31, 2018
Value of preference shares issued	163.00	163.00
Equity component of preference shares (refer note (i) below)	(96.39)	(96.39)
	66.61	66.61
Interest expense (refer note (ii) below)	10.84	9.73
Opening interest accrued	27.99	18.26
Non-current borrowings	105.44	94.60

Notes:
i) The equity component is the difference between fair value of liability component computed at the effective interest rate of 11% p.a. and the value of preference shares issued, which is presented as a separate component of equity under Statement of Changes in Equity.
ii) Interest expense is calculated by applying the effective interest rate of 11% p.a. to the liability component

(E) Refer note 47 for defaults of repayment of loans and interest thereon.
(F) Refer note 43 for information on assets pledged and mortgaged as security.

Notes to the financial statements for the year ended March 31, 2019

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018
19.	**Non-current provisions**		
	Provision for gratuity	88.34	147.46
	Provision for compensated absences	46.58	103.78
	Total	134.92	251.24
	Note: Refer note 46 for disclosure of employee benefits		
20.	**Other non-current liabilities**		
	Deferred government grant	6.81	42.92
	Total	6.81	42.92
21.	**Borrowings (current)**		
	From banks (secured) (refer note 55)		
	Cash credits (refer note (i) and (iii) below and note 18 (A), (B) and (E))	654.79	1,405.56
	Others (unsecured)		
	Loan from related parties (refer note (ii) and (iv) below)	3.38	504.54
	Loan from bodies corporate (refer note (iv) below)	35.68	28.11
	Total	693.85	1,938.21

Notes:

i) Rate of interest - The Company's current borrowings from banks are at an effective weighted average rate of 9% to 11% (31 March 2018: 9% to 11%) per annum.

ii) Refer note 42 for related party disclosure.

iii) Refer note 43 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, 2019	As at March 31, 2018
Cash credits from banks		
Axis Bank	-	20.23
Bank of India	152.40	252.95
Canara Bank	99.30	152.19
IDBI Bank	14.62	65.04
Indian Overseas Bank	43.20	196.97
State Bank of India	224.78	530.69
Union Bank of India	120.49	187.49
Loan from related parties (refer note 42)		
Radhika Heights Limited	-	289.37
Trinidhi Finance Private Limited	3.38	3.06
Dr. Rajesh Jain	-	94.63
Mr. Soshil Kumar Jain	-	104.75
Mrs. Sunanda Jain	-	12.73
Loan from bodies corporate		
Ulterior Holdings Private Limited	35.68	28.11
Total	693.85	1,938.21

		As at March 31, 2019	As at March 31, 2018
22.	**Trade payables**		
	Due to:		
	- micro, small and medium enterprises (refer note 41)	16.17	34.71
	- others	762.64	2,383.67
	Total	778.81	2,418.38
23.	**Other financial liabilities (current)**		
	Current maturities of long-term borrowings	5,309.88	2,051.58
	Interest accrued but not due on borrowings	7.33	19.97
	Interest accrued and due on borrowings	12.84	144.90
	Unclaimed dividend on equity shares (refer note (i) below)	-	0.12
	Deposit from trading agents	0.12	61.15
	Others	0.32	0.55
	Total	5,330.49	2,278.27

Notes:

i) Not due for deposit to the Investor Education and Protection Fund

ii) 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.

iii) Refer note 47 for default in repayment of borrowings and interest thereon.

Notes to the financial statements for the year ended March 31, 2019

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
24. Other current liabilities		
Advances from customers	101.73	103.40
Income received in advance	-	0.76
Deferred government grant	0.84	6.57
Statutory liabilities	8.33	39.15
Total	110.90	149.88
25. Provisions (current)		
Provision for compensated absences	21.87	67.93
Total	21.87	67.93
26. Current tax liabilities (net)		
Provision for minimum alternate tax	74.75	-
	74.75	-

	For the year ended March 31, 2019	For the year ended March 31, 2018
27. Revenue from operations		
Sale of products (net)		
Manufactured goods	957.28	1,818.35
Other operating revenue		
Export benefits	4.54	21.38
Scrap sale	0.28	0.07
Total	962.10	1,839.80

Note: Effective from April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect (comparatives for previous financial year have not been restated). The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue in the financial statements of the Company.

28. Other income		
Income from investments		
Dividend income	-	0.02
Interest income from:		
Banks deposits	4.50	3.97
Loans given to subsidiaries	7.46	73.46
Others	1.69	2.10
Others		
Excess provisions written back	-	1.84
Government grant income	10.34	9.20
Lease rent	5.97	34.26
Gain on sale of property, plant and equipment (net)	0.51	-
Miscellaneous	4.78	0.16
Total	35.25	125.01
29. Cost of materials consumed		
Raw materials and packing materials		
Opening stock	399.21	332.30
Add : Purchases during the year	369.87	987.39
	769.08	1,319.69
Less : Closing stock	177.75	399.21
Total	591.33	920.48
30. Changes in inventories of finished goods, stock in trade and work-in-progress		
Opening Stock		
Finished goods	210.50	234.93
Work-in-progress	153.54	89.39
Total	364.04	324.32

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing stock		
Finished goods	115.92	210.50
Work-in-progress	75.17	153.54
Total	191.09	364.04
Changes in inventories ((Increase)/Decrease)		
Finished goods	94.58	24.43
Work-in-progress	78.37	(64.15)
Total	172.95	(39.72)
31. Employee benefits expense		
Salary and wages	391.07	252.15
Contribution to provident and other funds (refer note 46)	(1.35)	94.99
Staff welfare expenses	21.86	12.58
Total	411.58	359.72
32. Finance costs		
Interest expense	849.69	991.17
Other borrowing costs	196.64	41.11
Total	1,046.33	1,032.28
33. Depreciation and amortisation expense		
Depreciation on tangible property, plant and equipment	317.12	323.03
Amortisation of intangible assets	13.18	13.91
Total	330.30	336.94
34. Other expenses		
Analytical testing and trial	13.05	26.06
Advertising and sales promotion	10.31	8.45
Allowance for expected credit loss and doubtful advances	43.46	79.37
Contract manufacturing	7.00	33.68
Consumption of stores and spares	89.51	51.76
Commission on sales	8.26	10.23
Directors' sitting fees	1.50	1.68
Freight and forwarding	22.33	37.90
Insurance	16.21	14.26
Legal and professional	51.25	36.25
Loss on sale of property, plant and equipment (net)	-	0.04
Loss on foreign exchange transactions and translations (net)	151.79	60.22
Power and fuel	227.18	209.38
Printing and stationery	5.53	2.71
Postage and communication	5.95	5.13
Payment to auditors (refer note 36(d))	2.93	1.75
Provision for service tax receivable	-	5.73
Repair and maintenance :		
Buildings	4.23	2.48
Plant and machinery	25.19	16.81
Others	21.72	8.30
Rent	10.95	5.11
Royalty	-	0.16
Rates and taxes	5.83	11.33
Staff training and recruitment	2.21	1.70
Travelling and conveyance	19.35	15.90
Vehicle running and maintenance	12.21	7.90
Subscription	3.54	5.72
Bad debts and advances written off	18.46	-
Provision for impairment of Investment	4.20	-
Meetings and conferences	3.12	0.98
Intangibles assets under development provided /written off	147.78	-
Property, plant and equipments written off	296.92	-
Security charges	14.43	10.17
Office expenses	0.23	0.22
Miscellaneous	6.24	6.36
Total	1,252.87	677.74

Notes to the financial statements for the year ended March 31, 2019

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
35. Exceptional items		
Adjustment on settlement of debts (refer note 55)	3,133.49	-
Total	3,133.49	-

36. Discontinued Operations

i) Slump sale of Pharmaceutical business: On February 26, 2019, as part of the business reorganization, the Board of Directors have approved transfer of pharmaceutical formulations business including related research and development activities and natural products extraction activities (referred to as 'Pharma business') to a recently incorporated wholly owned subsidiary, Panacea Biotec Pharma Limited ('PBPL'), with an objective to segregate the different businesses of the Company to ensure smooth functioning of each business in the future. The divestment has been approved by the shareholders of the Company in their Extra-ordinary General Meeting held on March 25, 2019.

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.4,195.73 million and 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.

Subsequent to the year end, to implement the above divesture, the 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.

ii) Demerger of Real estate business: On February 26, 2019 and May 30, 2019, the Board of directors have approved a scheme of arrangement for demerger of its real estate business comprising wholly owned subsidiary Radhika Heights Limited ('RHL') alongwith its step down subsidiaries and two real estate properties from PBL ('Demerged Undertaking') to its wholly-owned subsidiary ('Transferee Company'). Upon implementation of the demerger scheme and completion of related compliances, the Transferee Company (Ravinder Heights Limited) shall issue one equity share of Re.1 each for each equity share held by the equity shareholders of the Company as on the record date fixed on that behalf and the said equity shares shall be listed at the BSE and NSE in compliance with the applicable SEBI Regulations. 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 classified as held for sale and discontinued operations" / "Liabilities directly associated with assets classified as held for sale and discontinued operations" in the Standalone and Consolidated Statement of Assets and Liabilities.

iii) Financial performance and cash flows for the Pharmaceutical business and the Real estate business:

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Analysis of profit / (loss) from discontinued operations		
Profit / (loss) for the year from discontinued operations		
Revenue from operations	3,479.53	3,935.74
Other income	45.95	51.15
Total Income	3,525.48	3,986.89
Expenses		
Cost of Materials consumed	814.16	873.66
Purchases of stock-in-trade	91.93	183.49
Changes in inventories of finished goods, stock-in-trade and work-in-progress	128.35	32.10
Excise duty	-	31.04
Employee benefits expense	1,007.86	1,007.66
Finance costs	-	-
Depreciation and amortisation expense	206.80	233.53
Other expenses	1,436.66	912.49
Total expenses	3,685.76	3,273.97
Profit/(loss) before exceptional items and tax	(160.28)	712.92
Exceptional items*	206.58	-
Profit/(loss) before tax from discontinued operations	46.30	712.92
Tax expense	-	-
Profit/(loss) after tax from discontinued operations	46.30	712.92

*During the year, the Company has received an amount of Rs.206.58 million as legal proceedings avoidance settlement fee, as per the terms of the Settlement Agreement entered into by the Company and its partner, Apotex, with Celgene Corporation, USA for settlement of disputes regarding patents covering Abraxane drug product and the Company's ANDA for paclitaxel protein bound particles for injectable suspension, 100mg/vial, a generic version of Abraxane.

	For the year ended March 31, 2019	For the year ended March 31, 2018
b) Net cash flows attributable to the discontinued operations		
Net cash (outlfows) / inflows from operating activities	1,378.92	-
Net cash used in investing activities	(3,801.45)	-
Net cash (outlfows) / inflows from financing activities	-	-
Net cash (outlfows) / inflows	(2,422.53)	-

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018
c)	Book value of assets and liabilities of discontinued operations		
	Property, plant and equipment and intangible assets (including CWIP)	3,237.00	-
	Investments	3,385.85	-
	Other non-current financial assets	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	95.96	-
	Other current assets	119.40	-
	Total assets	8,076.52	-
	Non-current liabilities (Provisions)	202.07	-
	Other non-current liabilities	31.39	-
	Trade payables	1,836.04	-
	Other financial liabilities	55.95	-
	Other current liabilities	32.27	-
	Current liabilities - provisions	42.47	-
	Total liabilities	2,200.19	-
	Net assets	5,876.33	-
d)	Payment to auditors*		
	As auditor		
	- Audit fee	2.60	2.60
	- Limited review fee	2.40	2.40
	In other capacity		
	- Certification and other matters	1.42	0.19
	- Reimbursement of out of pocket expenses	0.33	0.17
	Total	6.75	5.36
	* excludes service tax / goods and service tax		

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
37. Income tax		
Income tax expense consists of the following :		
Current Tax		
Minimum alternative tax (MAT) for current year	74.75	-
Deferred tax		
Minimum alternative tax (MAT) credit adjustment/(entitlement)	27.83	98.81
Deferred tax expense/(credit)	3.50	7.61
Total income tax	106.08	106.42
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	325.48	(1,325.26)
Profit/(loss) before income taxes from discontinued operations	46.30	712.92
Profit/(loss) before income taxes from continuing and discontinued operations	371.78	(612.34)
At Company's statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	129.91	(211.92)
Adjustments in respect of current income tax		
Minimum alternative tax (MAT) for current year	74.75	-
Deferred tax not created on unused losses	(126.41)	221.59
Minimum alternative tax (MAT) credit adjustment/(entitlement)	27.83	98.81
Others	-	(2.06)
Total	106.08	106.42

Notes to the financial statements for the year ended March 31, 2019

(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 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 assets/(liabilities)	219.87	(31.33)	3.50	192.04

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 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	1,951.65	(188.85)	-	1,762.80
Capital expenditure on research and development	74.36	31.57	-	105.93
Others	1.60	(0.83)	-	0.77
	2,027.61	(158.11)	-	1,869.50
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	467.60	(42.06)	-	425.54
Effect of unabsorbed business loss and depreciation	1,511.54	(125.68)	-	1,385.86
Minimum alternative tax credit entitlement	318.68	(98.81)	-	219.87
Others	48.47	2.02	7.61	58.10
	2,346.29	(264.53)	7.61	2,089.37
Net deferred tax assets/ (liabilities)	318.68	(106.42)	7.61	219.87

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, 2019**	As at March 31, 2018
Business Loss			
2011-12	2019-20	413.76	40.14
2012-13	2020-21	1,542.60	1,542.60
2013-14	2021-22	1,554.28	1,554.28
2015-16	2022-23	-	184.31
2016-17	2024-25	74.67	-
2017-18	2025-26	124.49	-
Potential tax benefit		1,296.35	1,160.61
Unabsorbed Depreciation			
2016-17	Unlimited	-	239.18
Potential tax benefit		-	83.58
Long term capital loss			
2011-12	2019-20	-	254.21
2013-14	2021-22	-	253.90
2015-16	2023-24	-	2.90
2017-18	2025-26	608.79	-
Potential tax benefit		141.82	117.89
Short term capital loss			
2017-18	2025-26	72.98	82.39
Potential tax benefit		25.50	28.51

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.165.41 million, Rs.165.71 million and Rs.69.92 million will expire on March 31, 2025, March 31, 2026 and March 31, 2034 respectively.

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
38. Earnings per share		
Profit/(loss) attributable to shareholders from continuing operations	219.40	(1,431.68)
Profit/(loss) attributable to shareholders from discontinued operations	46.30	712.92
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.)	3.58	(23.37)
- Basic and diluted earnings per equity share from discontinued operations (In Rs.)	0.76	11.64
- Basic and diluted earnings per equity share from continuing and discontinued operations (In Rs.)	4.34	(11.73)

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
39. 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
Service tax (refer note (c) and (d) below)	-	72.60
Duty saved under export licenses	-	76.95
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)	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 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 had filed an appeal before CIT (Appeals) against the order of department but the CIT (Appeals) gave decision in favour of department. The Company has filed an 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 the case, hence no provision is required.

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 service tax demands for Financial Year 2003-04 to 2011-12, the Assessing Officer levied service tax on foreign services rendered and delivered outside India by the Company and certain other services on which there was no liability to pay service tax. The cases are currently pending with CESTAT. The CESTAT remanded the matter back to the Commissioner of Service Tax, Delhi for denovo adjudication. Final orders from the CESTAT have been received.

d) In respect of service tax demands for Financial Year 2008-09 to 2010-11, service tax department has disallowed CENVAT Credit of input services availed and distributed by the Company as input service distributor. The hon'ble CESTAT has decided the case in favour of the Company vide its order dated January 22, 2019.

e) In respect of sales tax / VAT demands for Ahmedabad, Delhi, Lucknow, Bangaluru, Patna, Ranchi and Pune, 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.

f) 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 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

Notes to the financial statements for the year ended March 31, 2019

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 has been pronounced in favour of the Company on March 14, 2019.

(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, 2019**	As at March 31, 2018
Property, plant and equipment	36.75	5.78

b) Other commitments :

i) Export commitments of Rs. Nil (March 31, 2018: Rs.488.91 million) under advance licenses schemes and obligation outstanding against EPCG licenses.

ii) 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.

iii) Refer note 40 for commitments relating to lease arrangements.

40. Leases

Company as a lessee

Operating leases

The Company has taken various residential, office and godown premises under 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 subleases at the balance sheet date and no restriction is imposed by lease arrangements. (Rs. in million)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Lease payments for the year recognised in the statement of profit and loss*	17.55	18.42
*includes Rs.6.60 million (March 31, 2018: Rs.13.31 million) pertaining to discontinued operations		
Company as a lessor		
Operating leases		
The Company had earlier leased out certain assets situated at Lalru, Punjab on operating lease to PanEra Biotec Private Limited. The said lease deed has been terminated w.e.f. May 25, 2018.		
There is no uncollectible minimum lease payments receivable at the balance sheet date.		
Lease income for the year recognised in the statement of profit and loss*	7.02	35.29
*includes Rs.1.05 million (March 31, 2018: Rs.1.03 million) pertaining to discontinued operations		

For assets given under operating lease agreements:

i) The Company had earlier leased out certain assets situated at Lalru, Punjab on operating lease to PanEra Biotec Private Limited, the summary of which is as under: (Rs. in million)

Particulars	Gross block		Accumulated depreciation	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Building	-	341.10	-	98.60
Furniture and fittings	-	41.18	-	36.21
Office equipment	-	21.65	-	19.55
Plant and equipment	-	2,215.11	-	1,308.59
Computer equipment	-	13.26	-	12.59
Total	-	2,632.30	-	1,475.54

ii) The Depreciation expense for such assets is recorded in the Statement of Profit and Loss as follows:

(Rs. in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Building	-	10.68
Furniture and fittings	-	1.85
Office equipment	-	0.06
Plant and equipment	-	135.32
Computer equipment	-	0.00
Total	-	147.91

The lease agreement has been terminated w.e.f. May 25, 2018

41. (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, 2019		As at March 31, 2018	
		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	33.83	9.33*	34.71	6.15*
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	-	66.92	-
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	-	9.33*	-	6.15*
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	-	-	-	-

Note: *Included in "trade payable" in note 22.
Principal includes Rs.17.66 million as at March 31, 2019 relating to discontinued operations
Interest includes Rs.6.62 million as at March 31, 2019 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, 2019	As at March 31, 2018
a) Loans to wholly owned subsidiaries (including accrued interest)		
i) Rees Investments Limited	585.16	585.16
ii) Panacea Biotec (International) SA	74.69	67.23
iii) Panacea Biotec Germany GmbH	246.50	221.87
Total	906.35	874.26
b) Maximum amount due at any time during the year		
i) Rees Investments Limited	585.16	585.16
ii) Panacea Biotec (International) SA	74.69	67.23
iii) Panacea Biotec Germany GmbH	246.50	221.87
Total	906.35	874.26
c) Advance paid against purchase of materials to subsidiaries		
PanEra Biotec Private Limited	91.68	92.13
d) Allowance for doubtful advances on above loan and interest receivable	906.35	874.26

42. 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)
- 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)
- NewRise Healthcare Private Limited ("NewRise"), (Subsidiary until April 18, 2017, WOS during April 19 and April 20, 2017)
- Adveta Power Private Limited ("Adveta")*
- PanEra Biotec Private Limited ("PanEra")*

** considered as subsidiary for the purpose of consolidation as per Ind AS 110.*

Notes to the financial statements for the year ended March 31, 2019

ii) Other related parties:

a) Joint Ventures: • Chiron Panacea Vaccines Private Limited ("CPV") (Under liquidation)

b) Key Management Personnel:

- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- Mr. Ravinder Jain - Managing Director (upto February 21, 2018)
- Dr. Rajesh Jain - Managing Director (Joint Managing Director upto March 11, 2018)
- Mr. Sandeep Jain - Joint Managing Director
- Mrs. Sunanda Jain - Whole-time Director (w.e.f. March 12, 2018)
- 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
- Mr. O. P. Kelkar - Non-Executive Independent Director (upto July 21, 2018)
- 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 (w.e.f. April 08, 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

B. Transactions with Subsidiaries and Joint Ventures Companies:

(Rs. in million)

S. No.	Particulars	Subsidiaries		Joint Ventures	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
I	Transactions made during the year:				
	1 Purchase of raw materials				
	PanEra	221.42	202.43		
	2 Sale of goods/material				
	PanEra	0.18	2.48		
	PBGG	9.46	2.78		
	3 Recovery of expenses				
	PanEra	0.74	-		
	4 Reimbursement of expenses				
	PanEra	6.74	17.57		
	5 Rent paid/ provided				
	RHL	6.91	7.86		
	6 Rent received				
	PanEra	4.20	32.35		
	CPV			0.36	0.36
	Adveta	0.06	-		
	RHL	0.52	0.52		
	7 Interest income				
	Rees	-	49.18		
	PBS	7.46	5.65		
	PBGG	24.63	18.64		
	8 Interest expenses on loans				
	RHL	27.69	27.65		

(Rs. in million)

S. No.	Particulars	Subsidiaries		Joint Ventures	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
9	Provision for impairment of investment				
	PanEra	4.20	-		
	PBS	34.36	-		
II	Year end balances:				
1	Investments				
	RHL	3,385.65	3,385.65		
	Rees	0.00	0.00		
	PBS (refer note 56)	34.36	34.36		
	PanEra (refer note 3(ii) and 40)	4.20	4.20		
	Adveta	0.90	0.90		
	PBPL	1.00	-		
	CPV			22.96	22.96
2	Outstanding loan receivable				
	Rees	585.16	535.98		
	PBS	67.23	61.58		
	PBGG	221.87	203.23		
3	Outstanding loan payable				
	RHL (refer note 18(C)(5) and note 57)	421.83	289.36		
4	Interest accrued receivable				
	Rees	-	49.18		
	PBS	7.46	5.65		
	PBGG	24.63	18.64		
5	Interest accrued payable				
	RHL	-	107.54		
6	Allowance for doubtful loans (including accrued interest)				
	Rees	585.16	585.16		
	PBS	74.69	67.23		
	PBGG	246.50	221.87		
7	Outstanding receivable				
	RHL	-	1.98		
	PBGG	6.62	21.85		
	PanEra	43.68	77.69		
	Adveta	0.11	-		
	CPV			0.03	-
8	Outstanding loan and advances, (net)				
	PanEra	91.68	92.13		
9	Provision for impairment in subsidiary				
	PanEra	4.20	-		
	PBS	34.36	-		
10	Outstanding payable				
	PanEra	48.01	-		
	PBGG	17.55	17.55		
	RHL	25.53	20.61		

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	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
I)	Transactions made during the year:						
1	Short-term employee benefits						
	Mr. Soshil Kumar Jain *	11.19	10.70				
	Mr. Ravinder Jain*	-	35.83				
	Mrs. Sunanda Jain	5.80	0.31				
	Dr. Rajesh Jain*	7.30	7.25				
	Mr. Sandeep Jain*	6.70	6.60				
	Mr. Sumit Jain*	4.18	4.11				

Notes to the financial statements for the year ended March 31, 2019

(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	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
	Mr. Ankesh Jain*	2.42	2.30				
	Mr. Vinod Goel	5.62	5.10				
	Mr. Devender Gupta	4.37	3.98				
	Mr. Shagun Jain			-	2.06		
	Mr. Ashwani Jain			3.03	3.03		
	Mrs. Shilpy Jain			0.35	0.55		
	Mrs. Radhika Jain			2.14	1.37		
	Mr. Harshet Jain			0.35	0.60		
2	Post-employment benefits						
	Mr. Soshil Kumar Jain *	16.23	23.65				
	Dr. Rajesh Jain*	10.43	12.95				
	Mr. Sandeep Jain*	9.64	12.49				
	Mr. Sumit Jain*	2.95	3.19				
	Mr. Ankesh Jain*	0.81	0.44				
	Mr. Vinod Goel	1.33	1.42				
	Mr. Devender Gupta	0.76	0.53				
	Mr. Shagun Jain	0.57	0.53				
	Mr. Ashwani Jain	1.75	1.62				
	Mrs. Shilpy Jain	-	0.11				
	Mrs. Radhika Jain	0.50	0.29				
	Mrs. Sunanda Jain	0.24	0.01				
	Mr. Harshet Jain	-	-				
3	Fee for attending board/committee meetings						
	Mr. R. L. Narasimhan	0.33	0.37				
	Mr. N. N. Khamitkar	0.31	0.28				
	Mr. K. M. Lal	0.27	0.37				
	Mr. O. P. Kelkar	-	0.25				
	Mrs. Manjula Upadhyay	0.25	0.25				
	Mr. Mukul Gupta	0.25	0.25				
	Mr. Ashwini Luthra	0.10	-				
	Mr. Bhupinder Singh	-	-				
	Mr. Nithin Krishna Kaimal	-	-				
4	Rent received						
	Neophar					0.18	0.18
	Trinidhi					0.22	0.22
5	Interest expenses						
	Mr. Soshil Kumar Jain	9.43	9.43				-
	Mr. Ravinder Jain	-	1.15				-
	Dr. Rajesh Jain	8.88	5.51				-
	Mrs. Sunanda Jain	1.15	-				
	Trinidhi					0.29	0.29
6	Consultancy Expenses: Mrs. Shilpy Jain			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	40.00				
9	Reversal of excess remuneration paid						
	Mr. Soshil Kumar Jain	11.19	10.70				
	Mr. Ravinder Jain	-	10.22				
	Mrs. Sunanda Jain	5.80	0.45				
	Dr. Rajesh Jain	7.30	7.25				
	Mr. Sandeep Jain	6.70	6.60				
	Mr. Sumit Jain	4.18	4.11				
	Mr. Ankesh Jain	2.42	2.30				

(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	
		March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018	**March 31, 2019**	March 31, 2018
II)	Year end balances:						
1	Loan payable (refer note 18(C)(5))						
	Mr. Soshil Kumar Jain	125.20	104.75				
	Dr. Rajesh Jain	120.02	94.63				
	Mrs. Sunanda Jain#	21.57	12.73				
	Trinidhi					3.38	3.06
2	Interest/Expense payable						
	Mr. Soshil Kumar Jain	-	11.97				
	Dr. Rajesh Jain	-	9.40				
	Mrs. Sunanda Jain#	-	7.81				
	Mrs. Shilpy Jain			0.05	-		
	Trinidhi					-	1.19
3	Outstanding receivable						
	Trinidhi	-	-			-	0.90
4	Remuneration Payable						
	Mr. Soshil Kumar Jain*	1.83	0.89				
	Dr. Rajesh Jain*	1.23	0.60				
	Mr. Sandeep Jain*	1.13	0.55				
	Mr. Sumit Jain*	0.81	0.34				
	Mr. Ankesh Jain*	0.38	0.19				
	Mr. Vinod Goel	0.50	0.43				
	Mr. Devender Gupta	0.76	0.33				
	Mrs. Sunanda Jain	1.04	0.45				
	Mr. Shagun Jain			-	0.17		
	Mr. Ashwani Jain			0.58	0.25		
	Mrs. Shilpy Jain			0.25	0.05		
	Mrs. Radhika Jain			0.29	0.11		
	Mr. Harshet Jain			-	0.05		

* Refer note 53

\# The outstanding loan payable along with interest payable thereon to late Mr. Ravinder Jain is transferred to his wife Mrs. Sunanda Jain.

Note: In respect of personal guarantees given by promoter directors, refer note 18 and 21. The above transactions are in the ordinary course of business.

43. Assets mortgaged/ hypothecated as security for borrowings are as under:

(Rs. in million)

Particulars	Note	**As at March 31, 2019**	As at March 31, 2018
Non Current			
Property, plant and equipment	2.1	4,948.72	8,865.60
Capital work in progress	2.2	29.52	47.57
Intangible assets	2.3	15.66	43.68
Intangible assets under development	2.4	1.52	324.04
Financial assets			
Loans	4	6.34	9.93
Other financial assets	5	8.86	2.51
Other non-current assets	8	21.03	222.00
Total non-current assets		5,031.65	9,515.33
Current			
Inventories	9	425.05	1,490.95
Financial assets			
Trade receivables	10	251.95	1,422.66
Cash and cash equivalents	11	49.58	65.24
Other bank balances	12	28.95	52.56
Loans	13	162.02	149.87
Others financial assets	14	8.77	51.71
Non financial assets			
Other current assets	15	158.23	303.40
Total current assets		1,084.55	3,536.39
Assets classified as held for sale and discontinued operations	36	4,690.67	-
Total assets mortgaged/ hypothecated as security		10,806.87	13,051.72

Notes to the financial statements for the year ended March 31, 2019

44. Segment information

The Company has determined following reportable segments based on the information reviewed by the Company's management:

a. Vaccines
b. Formulations
c. Research and Development

(A) Information about reportable segments (Rs. in million)

Particulars	Vaccines		Formulations		Research and Development		Total	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Segment revenue	962.10	1,839.80	3,479.41	3,839.14	0.12	96.60	4,441.63	5,775.54
Other income	5.88	34.79	18.41	49.87	7.20	1.38	31.49	86.04
Total Income	967.98	1,874.59	3,497.82	3,889.01	7.32	97.98	4,473.12	5,861.58
Less: Income from discontinued operations	-	-	3,497.82	3,889.01	2.92	97.88	3,500.74	3,986.89
Total Income from continuing operations	967.98	1,874.59	-	-	4.40	0.10	972.38	1,874.69
Segment result from continuing operations	(1,235.31)	147.14	-	-	(251.42)	(144.50)	(1,486.73)	2.64
Unallocated corporate expenses							299.41	385.74
Operating profit/ (loss)							(1,786.14)	(383.10)
Less: Interest and finance charges							1,046.33	1,032.28
Add: Unallocated exceptional items gain/ (loss)							3,133.49	-
Add: Other income							24.46	90.12
Profit/(loss) before tax from continuing operations							325.48	(1,325.26)
Less: Tax expense							106.08	106.42
Profit/(loss) after tax from continuing operations							219.40	(1,431.68)
Profit/(loss) after tax from discontinued operations							46.30	712.92
Profit/(loss) for the year							265.70	(718.76)
Other comprehensive income/(loss)							(6.51)	(14.16)
Total other comprehensive income							259.19	(732.92)

Other Information	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Segment assets	4,381.31	5,311.79	2,830.44	4,189.40	1,658.36	2,108.40	8,870.11	11,609.59
Transferred to discontinued operations	-	-	2,830.44	-	1,285.29	-	4,115.73	-
Total	4,381.31	5,311.79	-	4,189.40	373.07	2,108.40	4,754.38	11,609.59
Unallocated corporate assets							1,589.45	5,125.29
Total assets							6,342.83	16,734.88
Segment liabilities	692.59	711.46	1,924.99	1,649.95	225.12	257.30	2,842.70	2,618.71
Transferred to discontinued operations	-	-	1,924.99	-	201.07	-	2,126.06	-
Total	692.59	711.46	-	1,649.95	24.05	257.30	716.64	2,618.71
Unallocated corporate liabilities							7,318.80	10,235.20
Total liabilities	692.59	711.46	3,849.98	1,649.95	426.19	257.30	8,035.44	12,853.91
Capital expenditure:								
Tangible assets	2.27	30.51	6.89	10.30	0.27	0.18	9.43	40.99
Intangible assets	-	-	-	0.79	39.23	111.35	39.23	112.14
Depreciation expense*	270.45	286.06	139.92	149.38	98.11	96.73	508.48	532.17
Amortisation expense*	-	0.01	-	0.77	-	11.64	-	12.42
Total	272.72	316.58	146.81	161.24	137.61	219.90	557.14	697.72
Total expenditure for discontinued operations	-	-	146.81	161.24	87.12	79.65	233.93	240.89

* Note: Excluding unallocated depreciation and amortisation.

(B) Additional information by geographies

a) Revenue as per geographical markets:

Segment	Domestic		Overseas	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Vaccines	791.40	1,180.27	170.70	659.53
Formulations	2,584.52	2,915.61	894.88	923.54
Research and Development	0.12	4.37	-	92.23
Total	3,376.04	4,100.25	1,065.58	1,675.30
Revenue from discontinued operations	2,584.64	-	894.88	-
Total Revenue from continuing operations	791.40	4,100.25	170.70	1,675.30

b) Assets (net) as per geographical markets:

Segment	Domestic		Overseas	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Vaccines	4,370.02	5,311.65	11.29	0.14
Formulations	2,411.44	3,692.89	419.00	496.51
Research and Development	1,656.70	2,106.37	1.66	2.03
Unallocated	5,550.21	5,125.29	-	-
Total	13,988.37	16,236.20	431.95	498.68
Assets transferred to discontinued operations	7,655.86	-	420.66	-
Total	6,332.51	16,236.20	11.29	498.68

c) Revenue from customers contributing more than 10% of revenue:

Segment	Domestic		Overseas	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Vaccines	-	-	-	-
Pharma	-	-	-	-
R&D	-	-	-	-
Total	-	-	-	-

d) All other assets are located in India therefore separate disclosure for other assets is not presented.

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, 2019	For the year ended March 31, 2018
Revenue expenditure (refer note (i) below)		
Material consumed	14.52	5.25
Employee benefits expense	149.76	205.20
Other expenses	400.51	187.78
Depreciation and amortisation expense	98.10	108.37
Capital expenditure (refer note (ii) below)	39.50	111.53
Total	702.39	618.13

Notes: i) Includes revenue expenditure of Rs.407.06 million (March 2018: Rs.362.00 million) pertaining to discontinued operations

ii) Includes capital expenditure of Rs.23.32 million (March 2018: Rs.99.36 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. 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, 2019 is 14.51 years (March 31, 2018: 10.85 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, 2019	As at March 31, 2018
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	231.76	213.51
	Fair value of plan assets as at the end of the year	38.06	66.05
	Net liability position recognised in balance sheet	193.70	147.46

Notes to the financial statements for the year ended March 31, 2019

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018
b	Changes in defined benefit obligation		
	Present value of defined benefit obligation as at the start of the year	213.51	148.39
	Acquisition adyjustment	6.84	-
	Interest cost	16.23	11.13
	Current service cost	21.34	16.37
	Past service cost	-	31.38
	Benefits paid for eligible employees	(35.34)	(15.05)
	Actuarial loss	9.18	21.29
	Present value of defined benefit obligation as at the end of the year	231.76	213.51
c	Net interest cost		
	Interest cost on defined benefit obligation	16.23	11.13
	Interest income on plan assets	5.02	5.69
	Net interest cost	11.21	5.44
d	Amount recognised in the statement of profit and loss		
	Current service cost	21.34	16.37
	Past service cost	-	31.38
	Net interest cost	11.21	5.44
	Amount recognised in the statement of profit and loss	32.55	53.19
e	Change in plan assets		
	Fair value of the plan assets at the beginning of the year	66.05	75.88
	Actual return on plan assets	4.17	5.22
	Employer contribution	3.81	-
	Fund management charges	(1.14)	-
	Benefits paid for eligible employees	(34.83)	(15.05)
	Fair value of the plan assets at the end of the year	38.06	66.05
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)	1.96
	Actuarial (gain)/loss on arising from change in financial assumption	46.06	(1.75)
	Actuarial loss on arising from experience adjustment	(30.34)	21.08
	Actuarial loss on arising on plan assets	0.84	0.48
	Total actuarial loss for the year	10.02	21.77
h	Actuarial assumptions		
	Discount rate	7.66%	7.60%
	Future salary increase	8.00%	5.00%
i	Demographic Assumption		
	Retirement age (years)	60/75	58/75
	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%	(19.28)	(8.26)
	b) Impact due to decrease of 0.50%	4.43	8.94
	Impact of the change in salary increase		
	a) Impact due to increase of 0.50%	2.67	8.25
	b) Impact due to decrease of 0.50%	(17.84)	(7.74)
k	Maturity profile of defined benefit obligation		
	April 2018 to March 2019	-	48.62
	April 2019 to March 2020	31.12	11.20
	April 2020 to March 2021	6.28	5.68
	April 2021 to March 2022	6.02	8.16
	April 2022 to March 2023	12.85	7.13
	April 2023 to March 2024	15.37	6.39
	April 2024 to March 2025	5.38	-
	April 2025 onwards	154.74	118.72

(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.

Notes to the financial statements for the year ended March 31, 2019

47. On account of continuous losses of the Company, certain delays and defaults, in repayment of loan instalments (including accrued interest thereon) on borrowings have occurred during the year, which are described below. (Rs. in million)

Particulars	Amount of total installment*	Due Date	Paid On
A. Borrowings from banks (refer note (i) below)			
Bank of India - Foreign Currency Term Loan ("FCTL")	576.25	30-Sep-17	9-Apr-19
Bank of India - FCTL	576.25	30-Sep-18	9-Apr-19
Indian Overseas Bank- Term Loan	15.00	30-Jun-18	7-Jul-18
Indian Overseas Bank- Term Loan	15.00	30-Sep-18	9-Apr-19
Indian Overseas Bank- Term Loan	15.00	31-Dec-18	9-Apr-19
Indian Overseas Bank- Term Loan	15.00	31-Mar-19	9-Apr-19
State Bank of India- Term Loan - I	5.98	30-Jun-18	18-Jul-18
State Bank of India- Term Loan - I	12.19	30-Sep-18	9-Apr-19
State Bank of India- Term Loan - I	12.19	31-Dec-18	9-Apr-19
State Bank of India- Term Loan - I	12.19	31-Mar-19	9-Apr-19
State Bank of India- Term Loan - II	11.64	30-Jun-18	18-Jul-18
State Bank of India- Term Loan - II	24.00	30-Sep-18	9-Apr-19
State Bank of India- Term Loan - II	24.00	31-Dec-18	9-Apr-19
State Bank of India- Term Loan - II	24.00	31-Mar-19	9-Apr-19
Canara Bank- Working Capital Term Loan ("WCTL")	0.55	30-Sep-18	9-Apr-19
Canara Bank- WCTL	0.55	31-Dec-18	9-Apr-19
Canara Bank- WCTL	0.55	31-Mar-19	9-Apr-19
IDBI Bank - WCTL	0.26	30-Jun-18	6-Jul-18
IDBI Bank - WCTL	0.26	30-Sep-18	28-Dec-18
IDBI Bank - WCTL	0.26	31-Dec-18	2-Jan-19
State Bank of India- WCTL	8.58	30-Sep-18	9-Apr-19
State Bank of India- WCTL	8.58	31-Dec-18	9-Apr-19
State Bank of India- WCTL	8.58	31-Mar-19	9-Apr-19
Bank of India- WCTL	0.61	31-Mar-18	5-Apr-18
Bank of India- WCTL	0.91	30-Sep-18	9-Apr-19
Bank of India- WCTL	0.91	31-Dec-18	9-Apr-19
Bank of India- WCTL	0.91	31-Mar-19	9-Apr-19
Union Bank of India- WCTL	0.67	30-Sep-18	9-Apr-19
Union Bank of India- WCTL	0.67	31-Dec-18	9-Apr-19
Union Bank of India- WCTL	0.67	31-Mar-19	9-Apr-19
Indian Overseas Bank- WCTL	0.70	30-Sep-18	9-Apr-19
Indian Overseas Bank- WCTL	0.70	31-Dec-18	9-Apr-19
Indian Overseas Bank- WCTL	0.70	31-Mar-19	9-Apr-19
Canara Bank- Funded Interest Term Loan ("FITL")	0.33	30-Sep-18	9-Apr-19
Canara Bank- FITL	0.33	31-Dec-18	9-Apr-19
Canara Bank- FITL	0.33	31-Mar-19	9-Apr-19
IDBI Bank - FITL	0.18	30-Jun-18	6-Jul-18
IDBI Bank - FITL	0.18	30-Sep-18	28-Dec-18
IDBI Bank - FITL	0.18	31-Dec-18	2-Jan-19
IDBI Bank - FITL	0.18	31-Mar-19	9-Apr-19
State Bank of India- FITL	6.11	30-Jun-18	18-Jul-18
State Bank of India- FITL	11.31	30-Sep-18	9-Apr-19
State Bank of India- FITL	11.31	31-Dec-18	9-Apr-19
State Bank of India- FITL	11.31	31-Mar-19	9-Apr-19
Bank of India- FITL	1.92	31-Mar-18	5-Apr-18
Bank of India- FITL	2.88	30-Sep-18	9-Apr-19
Bank of India- FITL	2.88	31-Dec-18	9-Apr-19
Bank of India- FITL	2.88	31-Mar-19	9-Apr-19
Union Bank of India- FITL	0.46	30-Sep-18	9-Apr-19
Union Bank of India- FITL	0.46	31-Dec-18	9-Apr-19
Union Bank of India- FITL	0.46	31-Mar-19	9-Apr-19
Indian Overseas bank- FITL	3.72	30-Jun-18	3-Jul-18
Indian Overseas bank- FITL	3.72	30-Sep-18	9-Apr-19
Indian Overseas bank- FITL	3.72	31-Dec-18	9-Apr-19
Indian Overseas bank- FITL	3.72	31-Mar-19	9-Apr-19
B. Other borrowings			
EARC - Term Loan I (refer note (i) below)	20.39	31-Dec-18	9-Apr-19
EARC - Term Loan I (refer note (i) below)	16.84	25-Mar-19	9-Apr-19
EARC - Term Loan II (refer note (i) below)	2.00	30-Sep-18	9-Apr-19
EARC - Term Loan II (refer note (i) below)	2.00	31-Dec-18	9-Apr-19
EARC - Term Loan II (refer note (i) below)	2.00	31-Mar-19	9-Apr-19
Biotechnology Industrial Research Assistance Council (BIRAC) - Loan 1	7.00	30-Sep-18	25-Apr-19
BIRAC - Loan 1	7.00	31-Mar-19	25-Apr-19
BIRAC - Loan 2	1.50	29-Nov-18	25-Apr-19
Loan from Department of Science & Technology	2.00	21-Sep-18	14-May-19
Loan from Directors - Mrs. Sunanda Jain (refer note 42 (C))	21.57	June 2014 to March 2019	converted into long term loan on 6-Apr-19
Loan from Radhika Heights Limited (refer note 57)	421.83	January 2014 to March 2019	converted into long term loan on 6-Apr-19
Loan from Trinidhi Finance Private Limited	3.38	December 2013 to March 2019	payment term revised to 30-Sep-19

Notes: i) Refer note 55. ii) The interest payment on above loans from banks and EARC were also delayed and paid as part of the settlement on April 9, 2019.

Notes to the financial statements for the year ended March 31, 2019

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, 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

As at March 31, 2018	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
(i) Investments	0.70	-	-
(ii) Trade receivables	-	-	1,422.66
(iii) Cash and cash equivalents	-	-	65.24
(iv) Other bank balances	-	-	52.68
(v) Loans	-	-	159.80
(vi) Others financial assets	-	-	54.22
Total	0.70	-	1,754.60
Financial Liabilities			
(i) Borrowings	-	-	9,861.74
(ii) Trade payables	-	-	2,418.38
(iii) Other financial liabilities	-	-	61.82
Total	-	-	12,341.94

Investment in subsidiaries amounting to Rs.3,426.11 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.

B1. Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. in million)

As at March 31, 2019	Note	Level 1	Level 2	Level 3
Investments	3	-	0.70	-

As at March 31, 2018	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, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Borrowings	6,906.94	6,870.54	9,861.74	9,840.76

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 counterparty 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, 2019	As at March 31, 2018
A: Low credit risk	Cash and cash equivalents	49.58	65.24
	Other bank balances	28.95	52.68
	Loans	168.36	159.80
	Other financial assets	17.63	54.22
B: Medium credit risk	Trade receivables	308.36	1,462.69
C: High credit risk	Trade receivables	8.50	21.79
	Loans	659.85	874.26

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

Notes to the financial statements for the year ended March 31, 2019

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, 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

As at March 31, 2018 (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	65.24	0.00%	-	65.24
Other bank balances	52.68	0.00%	-	52.68
Loans from related parties	874.26	100.00%	874.26	-
Loans from others	159.80	0.00%	-	159.80
Other financial assets	54.22	0.00%	-	54.22

(Rs. in million)

Reconciliation of loss allowance	Loans
Loss allowance as on April 01, 2017	800.79
Expected loss recognised/(reversed) during the year	73.47
Amounts written off	-
Loss allowance on March 31, 2018	874.26
Expected loss recognised/(reversed) during the year	(214.41)
Amounts written off	-
Loss allowance on March 31, 2019	659.85

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).

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

As at March 31, 2018 (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	285.97	350.45	140.23	35.02	8.36	23.44	15.72	859.19
Expected loss rate	1.35%	2.15%	3.49%	2.40%	25.24%	21.72%	100.00%	4.66%
Expected credit loss (Loss allowance provision)	3.86	7.52	4.89	0.84	2.11	5.09	15.72	40.03
Carrying amount of trade receivables (net of impairment)	282.11	342.93	135.34	34.18	6.25	18.35	-	819.16

Changes in allowance for trade receivables

(Rs. in million)

Particulars	Amount
As at April 1, 2017	90.32
Movement during the year	(28.50)
As at March 31, 2018	61.82
Loss recognised/(reversed) during the year	3.09
As at March 31, 2019	64.91

(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, 2019	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings	6,060.77	80.72	77.07	898.54	7,117.10
(ii) Trade payables	778.81	-	-	-	778.81
(iii) Others	0.44	-	-	-	0.44
Total	6,840.02	80.72	77.07	898.54	7,896.35

March 31, 2018	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings	4,822.48	1,444.12	1,600.88	5,230.67	13,098.15
(ii) Trade payables	2,418.38	-	-	-	2,418.38
(iii) Others	61.82	-	-	-	61.82
Total	7,302.68	1,444.12	1,600.88	5,230.67	15,578.35

(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, 2019	As at April 1, 2018
Variable rate	6,616.79	8,942.64
Fixed rate	269.98	754.23
Total	6,886.77	9,696.87

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, 2018: +/- 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, 2019	For the year ended March 31, 2018
Interest rates - increase by 100 basis points (March 31, 2018: 100 basis points)	(43.05)	(58.48)
Interest rates - decrease by 100 basis points (March 31, 2018: 100 basis points)	43.05	58.48

* 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.

Notes to the financial statements for the year ended March 31, 2019

(a) Foreign currency denominated financial assets and liabilities, translated at the closing rate, are as follows:

Particulars	Foreign currency	As at March 31, 2019			As at March 31, 2018		
		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	639	69.15	0.04	5,589	65.17	0.36
	Euro	2,732	77.66	0.21	763	80.82	0.06
	KZT	52,110	0.21	0.01	52,110	0.21	0.01
	RUB	16,460	1.05	0.02	16,556	1.13	0.02
Interest receivable	USD	458,684	69.97	32.09	1,127,318	65.17	73.47
Investment in subsidiaries	USD	10	47.62	0.00	10	47.62	0.00
	CHF	632,911	54.29	34.36	632,911	54.29	34.36
Loan to subsidiaries	USD	17,104,110	51.11	874.26	15,976,792	50.12	800.79
Foreign trade receivable	Euro	2,337,428	77.66	181.51	2,778,254	80.82	224.53
	USD	3,342,438	69.15	231.13	3,899,105	65.17	254.10
Financial liabilities							
Foreign trade payable	USD	2,546,269	69.16	176.10	2,579,377	65.18	168.12
	Euro	1,475,188	77.70	114.62	3,818,755	80.85	308.74
	GBP	38,694	90.57	3.50	12,173	92.31	1.12
	JPY	2,722,810	0.62	1.70	2,722,810	0.62	1.68
	SEK	16,820	7.44	0.13	16,820	7.80	0.13
	CAD	43,428	51.54	2.24	14,328	50.68	0.73
	THB	5,547	2.18	0.01	5,547	2.09	0.01
Foreign currency loans	USD	15,681,865	72.49	1,136.70	25,000,000	65.18	1,629.50
Interest accrued but not due	USD	-	-	-	9,612	65.18	0.63
Net exposure							
	USD	2,677,746	-	(175.28)	(6,580,175)	-	(669.52)
	Euro	864,972	-	67.10	(1,039,738)	-	(84.15)
	GBP	(38,694)	-	(3.50)	(12,173)	-	(1.12)
	CHF	632,911	-	34.36	632,911	-	34.36
	RUB	16,460	-	0.02	16,556	-	0.02
	THB	(5,547)	-	(0.01)	(5,547)	-	(0.01)
	SEK	(16,820)	-	(0.13)	(16,820)	-	(0.13)
	CAD	(43,428)	-	(2.24)	(14,328)	-	(0.73)
	KZT	52,110	-	0.01	52,110	-	0.01
	JPY	(2,722,810)	-	(1.70)	(2,722,810)	-	(1.68)

* Closing exchange rate has been rounded off to two decimal places.

(b) Sensitivity analysis of change in material foreign currencies on profit/(loss) after tax

	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Currency	Profit for the year +200 bps		Profit for the year -200 bps	
USD	(2.28)	(8.71)	2.28	8.71
Currency	Profit for the year +500 bps		Profit for the year -500 bps	
EURO	2.18	(2.74)	(2.18)	2.74
Currency	Profit for the year +500 bps		Profit for the year -500 bps	
GBP	(0.11)	(0.04)	0.11	0.04
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	(0.03)	(0.01)	0.03	0.01

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, 2019	As at April 1, 2018
Non-current borrowings	6,213.09	7,923.53
Current borrowings	693.85	1,938.21
Less: Cash and cash equivalents	(49.58)	(65.24)
Net debt	6,857.36	9,796.50
Total equity	4,184.72	3,880.97
Net debt to equity ratio	163.87%	252.42%

51. Reconciliation of liabilities arising out of financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(Rs. in million)

Particulars	Long term borrowings	Short term borrowings	Total
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 account	116.89	-	116.89
- Conversion of short term loan into long term loan	688.62	(688.62)	-
- Conversion of interest accrued into short term loan	-	187.03	-
- Notional interest expense recorded on less than market rate loans	10.84	-	10.84
Net debt as at March 31, 2019	6,192.92	693.85	6,699.74
As at April 01, 2017	8,028.72	2,196.49	10,225.21
Cash changes:			
- Proceeds	57.97	40.00	97.97
- Repayment	(348.15)	(298.28)	(646.43)
Other non-cash changes			
- Foreign currency monetary item translation difference account	8.00	-	8.00
- Impact of effective interest rate adjustment	2.39	-	2.39
- Notional interest expense recorded on less than market rate loans	9.73	-	9.73
Net debt as at March 31, 2018	7,758.66	1,938.21	9,696.87

52. Subsequent to the year ended March 31, 2019, 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 is 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 is 18 months from the date of allottment. 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.

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 has also paid managerial remuneration amounting

Notes to the financial statements for the year ended March 31, 2019

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 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 Company. Accordingly, the said applications stand abated at the Central Government. The Company has accordingly decided to obtain the necessary approval from its shareholders in due course in compliance with the aforesaid amended provisions of the Companies Act, 2013. Pending such approval, the Company has recorded an amount of Rs.154.0 million as on March 31, 2019 (March 31, 2018: Rs.116.4 million) as recoverable from such directors towards such excess remuneration paid. The Company is confident of obtaining necessary approvals from its shareholders.

54. For the financial year ended March 31, 2019, the Company has incurred a loss (before tax and exceptional items) of Rs.2,808.0 million (2018: loss of Rs.1,325.3 million) from continuing operations. The continuous operating losses had adversely affected the cash flows of the Company. The Company has already taken various measures aimed at improving the financial condition of the Company, inter-alia, 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. During the year, the Company has reached bilateral settlements of its debts with each consortium lender individually. Subsequent to the year end, the 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 Company has written back excess liabilities of Rs.3,133.49 million, which is included as Exceptional Item in the Statement of Profit and Loss.

56. As at March 31, 2019 an amount of Rs.585.16 million (March 31, 2018: Rs.585.16 million) including interest of Rs.45.18 million (March 31, 2018: 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") also. Accordingly, the Company has created 'Provision for impairment on its investment in PBS. Owing to accumulated losses in PBS and 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.74.69 million and Rs.246.50 million, respectively, as on March 31, 2019 (March 31, 2018: Rs.67.23 million and Rs.221.87 million, respectively) including interest of Rs.7.46 million and Rs.24.63 million, respectively as on March 31, 2019 (March 31, 2018: Rs.5.65 million and Rs.18.64 million, respectively).

57. During the financial year 2007-08, the Company had given an advance of Rs.176.8 million 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 has initiated legal recourse and issued a legal notice to the Developer.

During the previous financial year, with a view to restructure the Company's debt obligations and reduce its interest outlay, the Board of Directors had approved the assignment of its receivables from the Developer to RHL in lieu of adjustment of part of RHL's loan payable by the Company. The Company has executed the agreement for assignment of this advance to RHL on April 06, 2019. The process of assigning the said receivable to RHL and complying with the applicable provisions of the Foreign Exchange Management Act, 1999 as amended and other applicable laws, is expected to be completed in due course.

In view of ongoing discussions with the Developer and on the basis of the legal advice obtained, the Group 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 the advance given to the Developer is fully realisable. Accordingly, no adjustments are considered necessary in the books of accounts.

58. As at March 31, 2019, a cumulative amount of Rs.401.04 million (March 31, 2018 Rs.331.11 million) is 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. However, based on revised estimates of future profitability projections and other factors disclosed under note 52, the management, expects that the recoverable amount of MAT will be Rs.192.04 million as at March 31, 2019 (March 31, 2018: Rs.219.87 million). Accordingly, an amount of Rs.27.83 million (net of MAT credit of Rs.69.92 million) (financial year 2017-18: Rs.98.81 million) has been provided as non-recoverable during the year. The total provision of non recoverable MAT is Rs.209.00 as on March 31, 2019 (March 31, 2018: Rs.111.24 million).

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.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anupam Kumar
Partner
Membership No. 501531

Place : New Delhi
Date : May 30, 2019

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, 2019 Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment (except in case of investment in subsidiary)	For the year/ period ended March 31, 2019 Turnover (including other income)	Profit/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share Holding as on March 31, 2019
1	2	3	4		5	6	7	8	9	10	11	12	13	14	15
1	Radhika Heights Ltd.	31.03.19	INR	1.00	4.8	2,632.3	2,764.6	127.5	7.0	7.0	12.4	9.2	3.2	-	100%
2	Cabana Construction Pvt. Ltd.*	31.03.19	INR	1.00	0.1	(2.4)	319.5	321.8	-	-	(0.1)	-	(0.1)	-	100%
3	Cabana Structures Ltd.*	31.03.19	INR	1.00	0.5	(0.5)	0.0	0.0	-	-	(0.1)	-	(0.1)	-	100%
4	Nirmala Buildwell Pvt. Ltd.*	31.03.19	INR	1.00	0.1	(4.1)	298.7	302.7	-	-	(0.1)	-	(0.1)	-	100%
5	Nirmala Organic Farms & Resorts Pvt. Ltd*	31.03.19	INR	1.00	0.1	6.7	104.0	97.2	-	-	(0.6)	(0.0)	(0.6)	-	100%
6	Radicura Infra Ltd.*	31.03.19	INR	1.00	2.0	30.9	497.8	464.9	-	-	(3.1)	(0.7)	(2.4)	-	100%
7	Sunanda Infra Ltd.*	31.03.19	INR	1.00	0.5	(1.7)	222.4	223.7	-	-	(0.1)	-	(0.1)	-	100%
8	PanEra Biotec Pvt. Ltd.#	31.03.19	INR	1.00	8.4	(68.6)	48.7	108.9	25.7	221.4	(1.0)	-	(1.0)	-	50%
9	Adveta Power Pvt. Ltd.**#	31.03.19	INR	1.00	1.8	(1.0)	29.3	28.5	-	-	(0.4)	-	(0.4)	-	50%
10	Panacea Biotec Pharma Ltd.$	31.03.19	INR	1.00	1.0	-	1.0	-	-	-	-	-	-	-	100%
11	Panacea Biotec (International) SA	31.03.19	CHF	69.41	41.6	(144.7)	1.7	104.7	-	-	(19.1)	(0.0)	(19.1)	-	100%
12	Rees Investments Ltd.##	31.03.19	US $	69.15	0.0	(793.7)	-	793.7	-	-	(0.0)	-	(0.0)	-	100%
13	Panacea Biotec (Germany) GmbH***	31.03.19	Euro	77.66	19.1	(294.3)	199.0	474.2	-	132.2	(20.0)	0.0	(20.0)	-	100%

* Indirect subsidiary through Radhika Heights Ltd.

** Indirect subsidiary through PanEra Biotec Pvt. Ltd.

*** Indirect subsidiary through Panacea Biotec (International) SA.

$ Subsidiary incorporated on March 22, 2019.

Considered as a subsidiary for the purpose of consolidation as per Ind AS 110.

Liquidated on May 23, 2019

Note: The Company has incorporated following subsidiaries during the current financial year:

1. Ravinder Heights Ltd. ("RVHL") (Wholly-owned subsidiary ("WOS") w.e.f. April 15, 2019)
2. Meyten Realtech Pvt. Ltd. (WOS) (w.e.f. 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	31.03.2019
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	52.75
6.	Profit/Loss for the year	
	i. Considered in Consolidation	1.49
	ii. Not Considered in Consolidation	1.49

Note : A. 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 : May 30, 2019

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, which comprise the Consolidated Balance Sheet as at 31 March 2019, 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 a 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 (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its 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 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. We draw attention to the following notes to the consolidated financial statements
   a) Note 62 to the consolidated financial statements regarding capital advances amounting to Rs.176.80 million given to real estate developer for acquiring certain immovable properties in Dubai where the Holding Company has initiated legal recourse.
   b) Note 58 to the consolidated financial statements regarding payment of managerial remuneration for the financial years ended 31 March 2019, 2018, 2017, 2016, 2014 and 2013, which is in excess of the limits specified by the relevant provisions of the Companies Act, 2013 / the Companies Act, 1956 by Rs.154 million for the said years. The Holding Company's applications to the Central Government seeking approval for payment of such excess remuneration have not been approved and consequently the Holding Company is required to recover the excess amount thus paid for the said years. The Holding Company has recorded an amount of Rs.154 million as recoverable from the directors towards such excess remuneration paid. The Holding Company has submitted applications to the Central Government for waiver of recovery of excess remuneration paid. Further, as discussed in aforementioned note, 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 stand abated and the Holding Company is in the process of seeking requisite approvals required in accordance with the provisions of Section 197(10) of the Companies Act, 2013.

Pending the ultimate outcome of the aforesaid matters which is presently unascertainable, no adjustments have been made in the books of accounts. Our opinion is not modified in respect of these matters.

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
One-time settlement ('OTS') pursuant to Corporate Debt Restructuring ('CDR') Refer note 60 to the accompanying consolidated financial statements. As fully described in note 19A, during the last quarter of the year ended 31 March 2019; 94% of the lenders under the CDR communicated their consent for the Holding Company's proposal for one-time settlement of debt. This proposal also received an 'in-principle' approval from all the lenders on 29 March 2019. Pursuant to the CDR, the Holding Company has repaid the borrowings as agreed in the CDR subsequent to the year-end. Accordingly, during the year ended 31 March 2019; the Holding Company has written back the outstanding debt and interest which has been waived off under the CDR and disclosed it as an 'exceptional item' in the Consolidated Statement of Profit and Loss. We identified this as key audit matter for current year audit owing to the materiality of the amounts involved in this matter, significant efforts involved in accounting assessment by the management for recording the above transaction and also being a matter on which we had various discussion with those charged with governance during the year then ended.	Our audit procedures included but were not limited to the following in relation to one-time settlement of debt: a) Obtained an understanding of the management process for ensuring completeness, appropriateness of recognition and measurement including disclosure of the OTS transaction as at the year end; b) Reviewed the minutes of the joint lender forum meetings held during the year ended 31 March 2019, OTS sanction letters and no dues certificates issued by the respective lenders banks pursuant to CDR. Further, reviewed the minutes of the relevant meetings of the Board of Directors of the Holding Company, approving the OTS transaction; c) Traced the bullet repayment made by the Holding Company to various lenders pursuant to the CDR to the underlying bank statements and remittance documents; d) Reviewed the assessment performed by the management for accounting this transaction in accordance with Ind AS 109, Financial Instruments and Ind AS 10, Events after the Reporting Date; e) Re-computed the amounts to be written back pursuant to one-time settlement of debt for the year ended 31 March 2019 and agreed it with the management's computations; and f) Evaluated the appropriateness of the disclosures made in the consolidated financial statements of the Group with respect to this matter.
Discontinued operations Refer note 1 and 41 to the accompanying consolidated financial statements for the accounting policy and related financial disclosures respectively. During the current year ended 31 March 2019; the management of the Group has 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, the Group has decided to demerge its real estate undertaking, comprising certain immoveable properties of the Group and its investment in a wholly owned subsidiary which was intended to deal in real estate. The Board of Directors of the Holding Company have 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 Holding Company in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'. Accordingly, net profit/(loss) from the real estate segment amounting to Rs.95.8 million and Rs.(49.5) million for the year ended 31 March 2019 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 standalone Balance Sheet as at 31 March 2019.	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) Reviewed the minutes of the respective meetings of the Board of Directors and the shareholders of the Holding Company approving the respective transactions; c) 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; d) 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; e) Read the draft demerger scheme to be filed with the judicial courts for implementing the demerger; f) Assessed reasonableness of management's judgement with respect to the likelihood and expected timing of the implementation of the restructuring; and g) Assessed the appropriateness and adequacy of the related in the consolidated financial statements of the Holding Company in accordance with the applicable accounting standards.

Independent Auditors' Report on the Consolidated Financial Statements

Key audit matter	How the matter was addressed in the audit
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 line items which are corporate in nature pertaining to real estate segment.	
Going concern basis of accounting: Refer note 59 to the accompanying consolidated financial statements. The Group has incurred loss before tax amounting to Rs.2,877.83 million for the year ended 31 March 2019 and its current liabilities exceed its current assets by Rs.6,622.85 million. While these above indicate doubts about the Group's ability to continue as a going concern; as mentioned in aforesaid the Group has taken the following mitigating factors in its assessment of going concern basis of accounting: • Execution of investment agreement dated 8 April 2019 with a new lender to obtain long-term funds upto Rs.9,920 million by way of non-convertible debentures and share warrants to be allotted on preferential basis; • Settlement of debt and other restructuring activities; and • Increased operational measures towards vaccine and pharmaceutical formulation business segment. Management has prepared a cash flow forecast for next year taking into cognizance the above developments including the revised repayment schedule on the new debt and performed a sensitivity analysis of the key assumptions used therein to assess whether the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least next twelve months from the end of the current reporting date and concluded that the going concern basis of accounting used for the preparation of accompanying consolidated financial statements is appropriate with no material uncertainty. We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter for the current year audit due to the pervasive impact thereof on the financial statements and the significant judgments and assumptions that are inherently subjective and dependent on future events, involved in the preparation of cash flow forecasts and the overall conclusion.	Our audit procedures included, but were not limited to, the following in relation to the assessment of appropriateness of going concern basis of accounting: a) 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, prepare a robust cash flow forecast; b) 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; c) Reconciled the cash flow forecast to the future business plan of the Group as approved by the Board of Directors; d) 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 discussed the same with the management and Audit Committee; e) 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 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 maybe; f) 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; g) Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods; h) Traced receipt of money through issue of non-convertible debentures subsequent to the year-end to the Holding Company's bank statements and other supporting documents; and i) Evaluated the appropriateness and adequacy of the going concern disclosures, in the consolidated financial statements of the Holding Company.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding 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 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 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 state of affairs (consolidated financial position), consolidated profit or loss (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 respective Board of Directors/management of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which 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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those 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 Consolidated 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 scepticism 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 and its joint venture (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 consolidated 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 consolidated 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.

Independent Auditors' Report on the Consolidated Financial Statements

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 / financial information of 11 subsidiaries, whose financial statements / financial information reflect total assets of ₹3,227 million and net assets of ₹ 2,220 million as at 31 March 2019, total revenues of ₹ 363 million and net cash outflows amounting to ₹ 20.81 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 ₹ 1.5 million for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information 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, is 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 matter with respect to our reliance on the work done by and the reports of the other auditors.

17. We did not audit the financial statements / financial information of two subsidiaries, whose financial statements / financial information reflects total assets of ₹ 1 million and net liabilities of ₹ 793 million as at 31 March 2019, total revenues of Nil and net cash inflows amounting to ₹ 0.98 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above 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, are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements /financial information are not material to the Group.

    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 matter with respect to our reliance on the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

18. As required by Section 197(16) of the Act, we report that the Holding Company has paid remuneration to its directors during the year which is in excess of the limits laid down under Section 197 read with Schedule V to the Act.

19. 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) 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 other statutory auditors of its subsidiary companies, and joint venture company covered under the Act, none of the directors of the Group companies and joint venture company covered under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;

    f) with respect to the adequacy of the internal financial controls over financial reporting of the 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 A'; and

    g) 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(A) 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 2019;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its joint ventures during the year ended 31 March 2019; 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

Place : New Delhi
Date : May 30, 2019

Annexure A

Independent Auditors' Report on the Internal Financial Controls 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 joint venture as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies and joint venture company, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on 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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies and its joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies and its joint venture company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 IFCoFR of the subsidiary companies and its joint venture company, the Holding Company, its subsidiary companies and its joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control in the Guidance Note issued by ICAI.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to 11 subsidiary companies, which are companies covered under the Act, whose financial statements/financial information reflect total assets of ₹3,023.81 million and net assets of ₹2,598.03 million as at 31 March 2019, total revenues of ₹228.33 million and net cash outflows amounting to ₹ 4.20 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 ₹1.49 million for the year ended 31 March 2019, in respect of a joint venture company, which is a company covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary companies and its 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 IFCoFR for the Holding Company, its subsidiary companies and its joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and its 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

Place : New Delhi
Date : May 30, 2019

Consolidated Balance Sheet

As at March 31, 2019

(Rs. in million)

	Note No.	**As at March 31, 2019**	As at March 31, 2018
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	8,031.08	9,428.75
b) Capital work-in-progress	2.2	83.92	75.20
c) Goodwill		-	8.96
d) Other intangible assets	2.3	24.55	52.00
e) Intangible assets under development	2.4	141.15	324.05
f) Investments accounted for using the equity method	56	52.59	51.77
g) Financial assets			
i) Investments	3	0.70	0.70
ii) Loans	4	11.66	10.43
iii) Other financial assets	5	11.19	52.66
h) Deferred tax assets (net)	6	197.90	196.63
i) Income tax assets (net)	7	19.66	49.10
j) Other non-current assets	8	101.94	221.85
Total non-current assets		8,676.34	10,472.10
Current assets			
a) Inventories	9	814.27	3,342.06
b) Financial assets			
i) Investments	10	-	20.29
ii) Trade receivables	11	887.30	1,360.10
iii) Cash and cash equivalents	12	144.66	164.37
iv) Other bank balances	13	90.14	68.00
v) Loans	14	181.31	353.10
vi) Other financial assets	15	35.70	51.70
c) Other current assets	16	261.08	243.84
Total current assets		2,414.46	5,603.46
Assets classified as held for sale and discontinued operations	41	2,664.40	-
Total assets		13,755.20	16,075.56
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	17	61.25	61.25
b) Other equity	18	3,442.72	3,025.50
Equity attributable to owners of Company		3,503.97	3,086.75
Non-controlling interest		(30.09)	(29.49)
Total equity		3,473.88	3,057.26
Liabilities			
Non-current liabilities			
a) Financial liabilities			
Borrowings	19	461.22	5,707.08
b) Provisions	20	397.80	265.39
c) Deferred tax liabilities (net)	6	-	92.57
d) Other non-current liabilities	21	39.69	42.92
Total non-current liabilities		898.71	6,107.96
Current liabilities			
a) Financial liabilities			
i) Borrowings	22	693.85	1,648.85
ii) Trade payables	23		
- Outstanding dues of micro, small and medium enterprises		18.80	34.71
- Outstanding dues of creditors other than above		2,678.30	2,737.24
iii) Other financial liabilities	24	5,395.89	2,222.74
b) Other current liabilities	25	151.39	197.29
c) Provisions	26	64.43	69.43
d) Current tax liabilities (net)	27	74.75	0.08
Total current liabilities		9,077.41	6,910.34
Liabilities directly associated with discontinued operations	41	305.20	-
Total equity and liabilities		13,755.20	16,075.56
		-	-
Summary of significant accounting policies	1		

The accompanying notes 1 to 64 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 : May 30, 2019

Panacea Biotec
Innovation in support of life

Consolidated Statement of Profit and Loss

For the Year ended March 31, 2019

(Rs. in million)

	Note No.	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Continuing operations			
Income			
Revenue from operations	28	4,566.96	5,961.61
Other income	29	44.83	77.86
Total income		4,611.79	6,039.47
Expenses			
Cost of materials consumed	30	1,258.67	1,796.29
Purchases of stock-in-trade	31	91.93	183.49
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	371.83	(107.29)
Excise duty		-	33.67
Employee benefits expense	33	1,470.80	1,515.92
Finance costs	34	1,048.29	1,005.78
Depreciation and amortisation expense	35	540.02	572.82
Other expenses	36	2,685.67	1,678.21
Total expenses		7,467.21	6,678.89
Profit/(loss) before share of profit of joint venture, exceptional items and tax from continuing operations		(2,855.42)	(639.42)
Share of profit of joint venture accounted for using the equity method		1.49	2.07
Profit/(loss) before exceptional items and tax from continuing operations		(2,853.93)	(637.35)
Exceptional items	37	3,340.08	-
Profit/(loss) before tax from continuing operations		486.15	(637.35)
Tax expense	38		
Current tax		75.47	10.91
Deferred tax		1.60	87.67
Total tax expense		77.07	98.58
Profit/(loss) for the year from continuing operations		409.08	(735.93)
Discontinued Operations			
Profit/(loss) before tax from discontinued operations	41	(23.90)	(24.04)
Tax expense of discontinued operations		8.51	-
Profit/(loss) after tax from discontinued operations		(32.41)	(24.04)
Profit/(loss) for the year		376.67	(759.97)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit plans		(10.01)	(21.83)
Income tax relating to items that will not be reclassified to profit or loss		3.50	7.63
B. Items that will be reclassified to profit or loss:			
Foreign currency translation reserve		1.90	77.24
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income (net of tax)		(4.61)	63.04
Total comprehensive income for the year		372.06	(696.93)
Profit / (loss) for the year			
Attributable to :			
Owners of Parent		377.27	(739.78)
Non-controlling interest	56	(0.60)	(20.19)
Other Comprehensive income for the year			
Attributable to :			
Owners of Parent	56	(4.61)	63.06
Non-controlling interest		-	(0.02)
Total comprehensive income for the year			
Owners of Parent		372.66	(676.72)
Non-controlling interest	56	(0.60)	(20.21)
Earnings per equity share for continuing operations (face value of Re.1 each)	39		
- Basic and diluted earnings per equity share (in Rs.)		6.68	(12.02)
Earnings per equity share for discontinued operations (face value of Re.1 each)			
- Basic and diluted earnings per equity share (in Rs.)		(0.53)	(0.39)
Earnings per equity share (for continuing and discontinued operations) (face value of Re.1 each)			
- Basic and diluted earnings per equity share (in Rs.)		6.15	(12.41)
Summary of significant accounting policies	1		

The accompanying notes 1 to 64 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

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 : May 30, 2019

Consolidated Cash Flow Statement Annexed to the Balance Sheet for the Year ended March 31, 2019
(Indirect Method)

(Rs. in million)

	Note No.	**For the year ended March 31, 2019**	For the year ended March 31, 2018
A. Cash flow from operating activities			
Profit/(loss) before tax from continuing operations		486.15	(637.35)
Profit/(loss) before tax from discontinued operations		(23.90)	(24.04)
Adjustment for			
Depreciation and amortisation expense		550.32	585.33
Finance costs		1,048.30	1,005.79
Allowance for expected credit loss and doubtful advances		47.87	2.52
Interest income		(10.91)	(11.65)
Bad debts and advances written off		71.22	-
Property, plant and equipments written off		318.57	-
Loss/(gain) on sale of property, plant and equipment (net)		5.19	0.08
Excess provisions written back		(2.92)	(45.18)
Unrealized foreign exchange loss (net)		168.70	130.22
Dividend income		(1.67)	(0.89)
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		(242.71)	1,004.83
Changes in working capital			
Inventories		847.63	(188.32)
Trade receivables		347.35	44.61
Other financial assets		(170.28)	(2.25)
Loans		163.24	(248.28)
Other current assets		(78.29)	225.05
Trade payables		75.06	312.74
Other financial liabilities		4.93	41.14
Other current liabilities		(47.19)	(11.64)
Provisions		130.76	41.43
Cash flow from operating activities post working capital changes		1,030.50	1,219.32
Income tax (paid)/refund (net)		18.28	(39.08)
Net cash flow from operating activities (A)		1,048.78	1,180.24
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)		(47.83)	(152.16)
Proceeds from sale of property, plant and equipment		-	0.13
Proceeds from sale of investments		20.29	22.08
Purchase of investment		(6.97)	(20.00)
Investments accounted for using the equity method		(0.82)	(1.15)
Interest received		10.91	(1.47)
Dividend received		1.67	0.02
Investment in shares of subsidiary		-	(79.73)
Realisation from sale of subsidiary		-	803.95
Investments in bank deposits having original maturity of more than three months		(30.77)	(18.73)
Net cash used in investing activities (B)		(53.52)	552.94
C. Cash flow from financing activities			
Proceeds from non-current borrowings		-	57.97
Repayment of non-current borrowings		(155.37)	(348.15)
Proceeds from current borrowings		-	39.96
Repayment of current borrowings		(192.13)	(298.30)
Interest paid		(663.90)	(1,094.97)
Net cash used in financing activities (C)		(1,011.40)	(1,643.49)
Increase /(Decrease) in net cash and cash equivalents (A+B+C)		(16.14)	89.69
Cash and cash equivalents at the beginning of the year		164.37	74.68
Movement in cash and cash equivalents pertaining to discontinued operations		(3.57)	-
Cash and cash equivalents at the end of the year (refer note 12)		144.66	164.37
Summary of significant accounting policies	1		

The accompanying notes 1 to 64 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 : May 30, 2019

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

	(Rs. in million)
Opening Balance as at April 01, 2017	61.25
Changes during the year	-
Closing balance as at March 31, 2018	61.25
Change during the year	-
Closing balance as at March 31, 2019	61.25

B. Other equity

(Rs. in million)

	Equity component of compound financial instruments	Attributable to owners of Panacea Biotec Limited – Reserves and surplus					Other comprehensive income	Total other equity	Non-controlling interests	Total
		Retained earnings	General reserve	Securities premium account	Capital redemption reserve	Foreign currency monetary item translation difference account	Foreign currency translation account			
Balance as at April 1, 2017	96.39	1,116.22	474.99	919.40	1,022.34	(100.25)	(33.69)	3,495.40	105.40	3,600.80
Profit/(Loss) for the year	-	(739.78)	-	-	-	-	-	(739.78)	(20.19)	(759.97)
Other comprehensive income for the year (net of tax)	-	(14.18)	-	-	-	-	77.24	63.06	(0.02)	63.04
Total comprehensive income for the year	-	(753.96)	-	-	-	-	77.24	(676.72)	(20.21)	(696.93)
Changes during the period	-	-	-	-	-	55.69	-	55.69	-	55.69
Transferred to retained earning on disposal of subsidiary	-	151.13	-	-	-	-	-	151.13	(114.68)	36.45
Balance as at March 31, 2018	96.39	513.39	474.99	919.40	1,022.34	(44.56)	43.55	3,025.50	(29.49)	2,996.01
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)	2,996.01
Profit/(Loss) for the year	-	377.27	-	-	-	-	-	377.27	(0.60)	376.67
Other comprehensive income for the year (net of tax)	-	(6.51)	-	-	-	-	1.90	(4.61)	-	(4.61)
Total comprehensive income for the year	-	370.76	-	-	-	-	1.90	372.66	(0.60)	372.06
Changes during the period	-	-	-	-	-	44.56	-	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)	3,412.63

Summary of significant accounting policies (Refer note 1)

The accompanying notes 1 to 64 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 : May 30, 2019

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, 2019

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 Bombay Stock Exchange 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 branded pharmaceutical formulations and vaccines.

The Holding Company has its registered 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 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 May 30, 2019. 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.

For all periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 which is considered as "Previous GAAP". The financial statements for the year ended March 31, 2018 are the first Ind AS Financial statements of the Group.

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:

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112, Disclosure of Interests in Other Entities

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are all 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, 2019. 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

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 noncurrent 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 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

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.

Summary of significant accounting policies for the year ended March 31, 2019

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 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 at 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

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.

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.

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.

Summary of significant accounting policies for the year ended March 31, 2019

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.

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 (chairman 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.

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.

r) 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.

s) 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.

Summary of significant accounting policies for the year ended March 31, 2019

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 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 Standard issued but not yet effective:

a) Ind AS 116 'Leases': On 30th March, 2019, the Ministry of Corporate Affairs has notified Ind AS 116: Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the profit or Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019.

b) Ind AS 12 'Taxes': On 30th March, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevanttax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

   Dividend distribution tax: On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

   The effective date for adoption of Ind AS 12 is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on 1st April, 2019. The Company is currently evaluating the effect of these amendments on the financial statements.

c) Amendment to Ind AS 19, plan amendment, curtailment or settlement: On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. Effective date for application of this amendment is annual period beginning on or after 1st April, 2019. The Company does not have any impact on account of this amendment.

2.1 Property, plant and equipment

(Rs. in million)

Description	Freehold land	Leasehold land	Building	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
Gross carrying value									
As at April 1, 2017	2,441.49	593.00	4,366.08	6,843.50	344.20	116.79	225.63	196.15	15,126.84
Additions	0.02	-	1.31	52.66	0.37	-	0.47	1.85	56.68
Disposals	-	-	-	0.20	-	1.88	1.74	-	3.82
As at March 31, 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
Accumulated depreciation									
As at April 1, 2017	-	27.65	760.43	3,622.58	292.99	94.83	211.86	180.30	5,190.64
Charge for the year*	-	4.04	112.58	422.35	13.62	6.39	1.12	3.82	563.92
Disposals	-	-	-	0.14	-	1.74	1.73	-	3.61
As at March 31, 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
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
Net block as at March 31, 2018	2,441.51	561.31	3,494.38	2,851.17	37.96	15.43	13.11	13.88	9,428.75

Notes :

a) Plant and equipment includes plant and machinery amounting to Rs.Nil (March 31, 2018: Rs.0.86 million) (net block) lying with third parties.

b) Property, plant and equipment pledged as security: Refer note 45 for information on assets pledged and mortgaged as security by the Group.

c) Contractual commitments: Refer note 40(B) for information on contractual commitments related to property, plant and equipment.

* includes depreciation related to discontinued operations (refer note 41)

2.2 Capital work-in-progress

(Rs. in million)

Description	Amount
As at April 1, 2017	87.00
Add: addition during the year	44.88
Less: capitalisation during the year	(56.68)
As at March 31, 2018	75.20
Add: addition during the year	11.20
Less: capitalisation during the year	(2.48)
As at March 31, 2019	83.92

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, 2019

2.3 Other Intangible assets

(Rs. in million)

Description	Patent, trademark and copyrights	Softwares	Websites	Product development	Total
Gross carrying value					
As at April 1, 2017	97.17	237.92	9.34	520.48	864.91
Additions	-	1.19	-	3.65	4.84
Disposals	-	-	-	-	-
As at March 31, 2018	97.17	239.11	9.34	524.13	869.75
Additions	-	-	-	-	-
Disposals	6.60	11.25	-	12.21	30.06
Exchange fluctuatuaion 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
Accumulated amortisation					
As at April 1, 2017	82.53	219.54	9.34	484.93	796.34
Charge for the year*	2.01	7.77	-	11.63	21.41
Disposals	-	-	-	-	-
As at March 31, 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
Net block as at March 31, 2019	7.83	2.94	-	13.78	24.55
Net block as at March 31, 2018	12.63	11.80	-	27.57	52.00

Note:
Intangible assets pledged as security: Refer note 45 for information on assets pledged and mortgaged as security by the Group.
* includes depreciation related to discontinued operations (refer note 41)

2.4 Intangible assets under development

(Rs. in million)

Description	Amount
As at April 1, 2017	217.07
Add: addition during the year	111.82
Less: capitalisation during the year	(4.84)
As at March 31, 2018	324.05
Add: addition during the year	39.23
Less: Disposal	(222.13)
As at March 31, 2019	141.15

Notes:
1. The intangible 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, 2019	As at March 31, 2018
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, 2018: 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, 2018: 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
	Aggregate amount of unquoted investments	0.70	0.70
	Aggregate amount of impairment in value of investments	-	-
4.	**Loans (non-current)**		
	Unsecured, considered good		
	Security deposits	11.66	10.43
	Total	11.66	10.43
	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 44 for related party disclosure.		
5.	**Other financial assets (non-current)**		
	Bank deposits with maturity of more than 12 months	11.19	52.66
	Total	11.19	52.66
	Notes:		
	i) Fixed deposits amounting to Rs.11.19 million (March 31, 2018: Rs.52.66 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	1,465.88	1,865.64
	Capital expenditure on research and development	8.44	105.93
	Others	-	24.03
		1,474.32	1,995.60
	Deferred tax assets arising on account of		
	Expenditure allowed on payment basis	407.06	425.54
	Unabsorbed business loss and depreciation	1,051.76	1,385.86
	Minimum alternative tax credit entitlement	192.04	230.14
	Others	21.36	58.12
		1,672.22	2,099.66
	Total	197.90	104.06
	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	197.90	196.63
	Deferred tax liabilities	-	92.57
	Deferred tax assets (net)	197.90	104.06

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018
7.	**Income tax assets (net)**		
	Advance income tax (net of provision for taxes)	19.66	49.10
	Total	19.66	49.10
8.	**Other non-current assets**		
	(Unsecured, considered good)		
	Prepaid expenses	-	1.24
	Capital advances	3.96	180.33
	Balances with statutory authorities	97.98	40.28
	Total	101.94	221.85
	Note: Refer note 45 for information on assets pledged and mortgaged as security by the Group.		
9.	**Inventories**		
	(lower of cost or net realisable value)		
	Raw materials (including packing materials)	395.55	717.60
	Finished goods	246.57	428.65
	Traded goods	39.77	77.95
	Work-in-progress	111.33	262.90
	Land under development	-	1,680.16
	Stores and spares	21.05	174.80
	Total	814.27	3,342.06
	Note: Refer note 45 for information on assets pledged and mortgaged as security by the Group.		
10.	**Investment - current**		
	Carried at fair value through profit or loss		
	Investment in mutual funds (quoted):		
	a) Nil units (March 31, 2018: 962,572.107 units of Rs. 10.0778 NAV) in Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend - Option Reinvestment	-	9.70
	b) Nil (March 31, 2018: 10,587.165 units of Rs. 1000.7051 NAV) in Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend - Option Reinvestment	-	10.59
	Total	-	20.29
	Aggregate cost of quoted investments	-	20.29
	Aggregate market value of quoted investments	-	20.29
11.	**Trade receivables**		
	Unsecured, considered good	943.71	1,400.13
	Unsecured, considered doubtful	75.95	25.60
		1,019.66	1,425.73
	Less: allowance for expected credit loss	(56.41)	(40.03)
	Less: allowance for doubtful debts	(75.95)	(25.60)
	Total	887.30	1,360.10
	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.		
12.	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	143.72	163.25
	- in exchange earner foreign currency accounts	0.28	0.46
	Cash on hand	0.66	0.66
	Total	144.66	164.37

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
13. Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months (refer note (i) below)	90.14	67.88
Unpaid dividend accounts (refer note (ii) below)	-	0.12
Total	90.14	68.00
Notes:		
i) Fixed deposits amounting to Rs.90.14 million (March 31, 2018: Rs.67.88 million) are pledged/deposited with banks and various Government authorities for tender, bank guarantee, margin money etc.		
ii) Not available for use by the Group as these represent corresponding unpaid/unclaimed dividend liabilities.		
14. Loans (current)		
Unsecured, considered good		
Security deposits	14.44	19.03
Loan to employees (refer note 58)	166.87	132.32
Loan to body corporate	-	201.75
Total	181.31	353.10
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.		
15. Other financial assets (current)		
Unsecured, considered good		
Insurance claim receivables	-	1.23
Export benefits receivable	27.48	42.68
Others	8.22	7.79
Total	35.70	51.70
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.		
16. Other current assets		
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	32.23	47.73
Balances with statutory authorities	145.08	132.17
Advance to suppliers		
- considered good	83.77	62.81
- considered doubtful	41.44	41.44
	125.21	104.25
Less: allowance for doubtful advances	(41.44)	(41.44)
	83.77	62.81
Others	-	1.13
Total	261.08	243.84
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, 2019

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
17. Share capital		
a) Authorised		
i) 125,000,000 (March 31, 2018: 125,000,000) Equity Shares of Re.1 each	125.00	125.00
ii) 110,000,000 (March 31, 2018: 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, 2018: 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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	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%	4,046,617	6.61%
Sandeep Jain (HUF)	4,105,000	6.70%	4,105,000	6.70%
Serum Institute of India Ltd	5,774,732	9.43%	5,774,732	9.43%
Mr. Adar Cyrus Poonawala	3,157,034	5.15%	3,157,900	5.16%

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 19(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 by the Holding Company 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 19(D).

g) Reconciliation of 0.5% cumulative non-convertible and non-participating redeemable preference shares of the Holding Company:

	As at March 31, 2019		As at March 31, 2018	
	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 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 Transferee Company shall issue equivalent number of preference shares to the preference shareholders.

i) Detail 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, 2019**		As at March 31, 2018	
	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, 2019	As at March 31, 2018
18. Other equity*		
Equity component of compound financial instruments (refer note 17 (f) to (i) and 19(D))	96.39	96.39
Reserves and Surplus:		
Retained earnings	884.15	513.39
General reserve	474.99	474.99
Security premium account	919.40	919.40
Capital redemption reserve	1,022.34	1,022.34
Foreign currency monetary item translation difference account	-	(44.56)
Foreign currency translation account	45.45	43.55
Total	3,442.72	3,025.50

* 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 account: Represents premium received on issue of shares. The balance 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 account: Exchange difference arising on long term foreign currency monetary items related to foreign currency term loan.

Other comprehensive income: The Company has recognised remeasurements benefits on defined benefits plans through other comprehensive income.

	As at March 31, 2019	As at March 31, 2018
19. Borrowings (non-current)		
Foreign currency term loans from banks (refer note (A), (B) and (E) below)		
Bank of India	1,136.70	1,627.27
Rupee term loan from banks (refer note (A), (B) and (E) below)		
Term loan from banks		
Indian Overseas Bank	660.57	915.00
State Bank of India [loan - I]	894.45	1,400.07
State Bank of India [loan - II]	450.13	704.70
Working capital term loan		
Axis Bank	-	4.39
Bank of India	33.70	54.31
Canara Bank	21.35	33.41
IDBI Bank	14.97	15.76
Indian Overseas Bank	29.96	41.59
State Bank of India	334.50	523.19
Union Bank of India	26.02	40.72
Funded interest term loan		
Axis Bank	-	3.02
Bank of India	82.70	134.68
Canara Bank	12.94	20.29
IDBI Bank	10.28	10.82
Indian Overseas Bank	162.67	225.33
State Bank of India	376.15	622.51
Union Bank of India	15.59	24.46

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
Rupee Term loans from others		
Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer note (C) (1) and (2) below)	59.50	61.00
Department of Science & Technology ("DST") (unsecured) (refer note (C) (3) below)	8.00	8.00
Edelweiss Assets Reconstruction Co. Ltd ("EARC") [loan - I] (secured) (refer note (A), (B) and (E) below)	883.57	1,005.76
EARC [loan - II] (secured) (refer note (A), (B) and (E) below)	127.13	129.80
Technology Development Board ("TDB") (secured) (refer note (C) (4) below)	57.98	57.98
Unsecured loans		
Liability component of compound financial instruments		
16,300,000 (March 31, 2018: 16,300,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs.10 each (refer note (D) below)	105.44	94.60
Loan from related parties (refer note (C) (5) below and note 44)	266.80	-
	5,771.10	7,758.66
Less: current maturities of non-current borrowings (disclosed under note 24)	(5,309.88)	(2,051.58)
Total	461.22	5,707.08

Notes:

Rate of interest - The Company's long term borrowings are at an effective weighted average rate of 11% (March 31, 2018: 11%) per annum.

(A) Loans under Corporate Debt Restructuring (CDR):

1 All the long-term loans and sustainable working capital borrowings from the banks have been restructured under the CDR package approved by the Corporate Debt Restructuring Empowered Group (CDR- EG) on September 24, 2014, except foreign currency term loan from Bank of India.

2 During the year under review:

a) the CDR Lenders have considered the CDR scheme as failed CDR and exit from CDR due to non-compliance with the pending conditions but not due to default for payment of principal/ interest as per agreed terms of CDR. Consequently, the CDR Lenders have classified the Holding Company's account as non-performing asset.

b) the Holding Company has reached bilateral settlements of its debts with each CDR lender individually.

c) In view of above, all the loans from CDR Lenders have been considered as current and considered as part of current maturities of non-current borrowings.

d) Also refer note 60.

(B) Securities for the non-current loans and sustainable working capital borrowings:

1 The long-term borrowings, except rupee term loans from BIRAC, TDB and DST have been secured by way of :

i) first pari-passu charge over entire fixed assets (both present and future) of the Company, by way of mortgage of the immovable properties and hypothecation of all movable fixed assets; and

ii) second pari passu charge over entire current assets (both present and future) of the Company, by way of hypothecation and/or pledge of all current assets including all receivable, finished goods, raw materials, work in progress, consumable stores and spares, book debts and bills receivable.

2 The sustainable working capital facilities (fund based, non-fund based, buyer credits etc.) have been secured by way of:

i) first pari-passu charge over entire current assets (both present and future) of the Company, by way of hypothecation and/or pledge of all current assets including all receivable, finished goods, raw materials, work in progress, consumable stores and spares, book debts, bills receivable; and

ii) second pari-passu charge over entire fixed assets (both present and future) of the Company, by way of mortgage of the immovable properties and hypothecation of all movable fixed assets.

3 The long-term borrowings and sustainable working capital facilities, restructured under the CDR package, have been additionally secured by personal guarantees and pledge of equity shares of the Company held by three promoter directors of the Company viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. The personal guarantee and pledge of equity shares of the Company held by Mr. Ravinder Jain and Mr. Sumit Jain were pending during the year. In the meantime, Mr. Ravinder Jain ceased to be promoter and director due to his demise on February 21, 2018.

4 The long-term loans and working capital facilities from State Bank of India and EARC (loan I) are additionally secured by way of mortgage of personal property of promoter directors, viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain, situated at House No.18 (Middle and Rear Portions), Block No.56, East Park Road, Karol Bagh, New Delhi.

5 The details of immovable properties of the Company mortgaged in favour of SBI CAP Trustee Co. Ltd. (acting as trustee on behalf of the CDR Lenders) to secure the long-term borrowings and sustainable working capital borrowings as mentioned above, are as under:

i. All parcels of lands admeasuring 96 Bighas 19 Biswa situated at Village Samelheri, Tehsil Dera bassi, District S.A.S. Nagar (Mohali), Punjab;

ii. All parcels of land admeasuring 93 Bighas, 12 Biswa and 10 Biswansi situated at Village Samelheri, Tehsil Derabassi, District S.A.S. Nagar (Mohali), Punjab;

iii. All parcels of land admeasuring 26 Bighas 3 biswa comprised in various Khewat/Khatoni Numbers, situated at Village Manpura, Tehsil Baddi, District Solan, Himachal Pradesh;

iv. All parcels of land admeasuring 91 Bighas 1 Biswa, comprised in various Khewat/Khatoni Numbers situated at Village Malpur, Tehsil Baddi, District Solan, Himachal Pradesh;

v. All parcels of Land bearing Plot No. E-4, Phase-2, Area measuring 9435.66 Sq.Yds., situated at Industrial Area S.A.S. Nagar, District S.A.S. Nagar (Mohali), Punjab;

vi. 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;
vii. 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;
viii. Plot no.35 & 36 measuring 900 sq. yds. each at Silver City Main, Village Bishanpura, MC Zirakpur, Tehsil Dera Bassi, District SAS Nagar (Mohali), Punjab;
ix. 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.
x. Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri (East), Mumbai;
xi. 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;
xii. 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
xiii. 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 loans outside the CDR Scheme:

1. Rupee term loan from BIRAC for H1N1 influenza vaccine project, with amount outstanding of Rs.49.00 million (March 31, 2018: Rs.70.00 million), was rescheduled in the financial year 2015-16. It 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.
2. Rupee term loan from BIRAC for Streptococcus pneumococcal conjugate vaccine project, with amount outstanding of Rs.10.50 million (March 31, 2018: Rs.12.00 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.
3. The unsecured rupee term loan from DST of Rs.8.00 million (March 31, 2018: Rs.8.00 million), is for specific project and is repayable in ten equal annual instalments commencing from September 2012.
4. Rupee term loan from TDB of Rs.57.98 million as at March 31, 2018 (Rs.57.98 million) is for Dengue vaccine project and is repayable in nine equal half-yearly instalments commencing from July 1, 2020 and is secured by way of (i) first pari-passu charge 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.
5. Loan from related parties and loan from bodies corporate mentioned above are payable after April 7, 2024.

(D) Liability component of compound financial instruments

Further to note 17 (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, 2019**	As at March 31, 2018
Value of preference shares issued	163.00	163.00
Equity component of preference shares (refer note (i) below)	(96.39)	96.39
	66.61	259.39
Interest expense (refer note (ii) below)	10.84	9.73
Opening interest accrued	27.99	18.26
Non-current borrowings	105.44	287.38

Notes:

i) The equity component is the difference between fair value of liability component computed at the effective interest rate of 11% p.a. and the value of preference shares issued, which is presented as a separate component of equity under Statement of Changes in Equity.
ii) Interest expense is calculated by applying the effective interest rate of 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 17 (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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

Particulars	As at March 31, 2019	As at March 31, 2018
20. Non-current provisions		
Provision for gratuity	187.01	153.90
Provision for compensated absences	210.79	111.49
Total	397.80	265.39
Note: Refer note 48 for disclosure of employee benefits obligations		
21. Other non-current liabilities		
Deferred government grant	38.20	42.92
Deferred income	1.49	-
Total	39.69	42.92
22. Borrowings (current)		
From banks (secured)		
Cash credits (refer note (i) & (iii) below, note 19 (A), (B) and (C) and note 60)	654.79	1,405.56
Others (unsecured)		
Loan from related parties (refer note (ii) and (iv) below)	3.38	215.18
Loan from bodies corporate (refer note (iv) below)	35.68	28.11
Total	693.85	1,648.85

Notes:
i) Rate of interest - The Group's current borrowings from banks are at an effective weighted average rate of 9% to 11% (31 March 2018: 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 51 for defaults of repayment of loans and interest thereon.
v) 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.

Particulars	As at March 31, 2019	As at March 31, 2018
Cash credits from banks		
Axis Bank	-	20.23
Bank of India	152.40	252.95
Canara Bank	99.30	152.19
IDBI Bank	14.62	65.04
Indian Overseas Bank	43.20	196.97
State Bank of India	224.78	530.69
Union Bank of India	120.49	187.49
Loan from related parties (refer note 44)		
Trinidhi Finance Private Limited	3.38	3.07
Dr. Rajesh Jain	-	94.63
Mr. Soshil Kumar Jain	-	104.75
Mrs. Sunanda Jain	-	12.73
Loan from bodies corporate		
Ulterior Holdings Private Limited	35.68	28.11
Total	693.85	1,648.85
23. Trade payables		
Due to:		
- micro, small and medium enterprises (refer note 43)	18.80	34.71
- others	2,678.30	2,737.24
Total	2,697.10	2,771.95

(Rs. in million)

	As at March 31, 2019	As at March 31, 2018
24. Other financial liabilities (current)		
Current maturities of long-term borrowings	5,309.88	2,051.58
Interest accrued but not due on borrowings	7.33	19.97
Interest accrued and due on borrowings	12.84	37.36
Unclaimed dividend on equity shares (refer note (i) below)	-	0.12
Deposit from trading agents	55.85	61.16
Others	9.99	52.55
Total	5,395.89	2,222.74

Notes: i) Not due for deposit to the Investor Education and Protection Fund
ii) 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.
iii) Refer note 51 for defaults of repayment of loans and interest thereon.

	As at March 31, 2019	As at March 31, 2018
25. Other current liabilities		
Advances from customers	116.58	103.39
Income received in advance	0.76	0.76
Deferred government grant	0.84	6.57
Statutory liabilities	29.82	82.60
Others	3.39	3.97
Total	151.39	197.29
26. Provisions (current)		
Provision for compensated absences	64.43	68.99
Provision for gratuity	-	0.41
Other provisions	-	0.03
Total	64.43	69.43

Changes in other provisions

Particulars	Other provisions
Provision at March 31, 2018	0.03
Changes during the year	(0.03)
Provision at March 31, 2019	-

	As at March 31, 2019	As at March 31, 2018
27. Current tax liabilities (net)		
Provision for tax	74.75	44.96
Less: Advance tax paid	-	(44.88)
Total	74.75	0.08

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
28. Revenue from operations		
Sale of products		
Manufactured goods	4,028.38	5,305.85
Traded goods	441.04	404.26
Sale of services		
Contract manufacturing	53.23	56.69
Other operating revenue		
Export benefits	40.76	64.59
Income from contract research	-	16.44
Research and license fees	-	110.36
Royalty income	0.71	-
Scrap sale	2.84	3.05
Others	-	0.37
Total	4,566.96	5,961.61

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
29. Other income		
Income from investments		
Dividend income from equity instruments	0.03	0.02
Interest income from:		
Bank deposits	4.86	4.43
Others	1.92	3.85
Others		
Gain on foreign currency transactions and translations	-	6.38
Excess provisions written back	2.92	45.18
Government grant income	14.25	13.12
Lease rent	2.24	2.88
Miscellaneous	18.61	2.00
Total	44.83	77.86
30. Cost of materials consumed		
Raw materials and packing materials		
Opening stock	717.60	659.33
Add : Purchases during the year	936.62	1,854.56
	1,654.22	2,513.89
Less : Closing stock	395.55	717.60
Total	1,258.67	1,796.29
31. Purchases of traded goods		
Traded goods	91.93	183.49
Total	91.93	183.49
32. Changes in inventories of finished goods, stock in trade and work in progress		
Opening Stock		
Finished goods	428.65	421.45
Work-in-progress	262.90	170.85
Traded goods	77.95	69.91
Total	769.50	662.21
Closing 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
Changes in inventories ((Increase)/Decrease)		
Finished goods	182.08	(7.20)
Work-in-progress	151.57	(92.05)
Traded goods	38.18	(8.04)
Total	371.83	(107.29)
33. Employee benefits expense		
Salary and wages	1,337.09	1,335.88
Contribution to provident and other funds (refer note 48)	93.62	135.57
Staff welfare expenses	40.09	44.47
Total	1,470.80	1,515.92
34. Finance costs		
Interest expense	849.69	963.52
Other borrowing costs	198.60	42.26
Total	1,048.29	1,005.78
35. Depreciation and amortisation expense		
Depreciation on tangible property, plant and equipment	524.85	551.42
Amortisation of intangible assets	15.17	21.40
Total	540.02	572.82

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
36. Other expenses		
Analytical testing and trial	27.29	41.63
Advertising and sales promotion	136.44	181.15
Allowance for expected credit loss and doubtful advances	47.87	-
Contract manufacturing	35.55	52.15
Consumption of stores and spares	269.11	179.00
Commission on sales	61.72	69.70
Directors' sitting fees	2.35	2.34
Freight and forwarding	114.49	118.98
Insurance	46.85	46.99
Legal and professional	149.15	112.33
Loss on sale of property, plant and equipment (net)	5.19	-
Loss on foreign exchange transactions and translations (net)	158.24	63.66
Power and fuel	345.49	335.22
Printing and stationery	9.39	11.74
Postage and communication	27.40	30.21
Payment to auditors (refer note 41)	6.97	5.62
Provision for service tax receivable	-	23.84
Repair and maintenance :		
Buildings	10.02	18.76
Plant and machinery	44.16	41.08
Others	29.60	33.38
Rent	12.95	14.44
Royalty	-	0.52
Rates and taxes	53.36	52.42
Travelling and conveyance	84.78	90.27
Vehicle running and maintenance	27.36	33.95
Bad debts and advances written off	71.22	-
Intangibles assets under development provided/written off	233.86	-
Property, plant and equipments written off	318.57	-
Claims	269.43	-
Security charges	26.62	24.75
Office expenses	11.85	12.78
Miscellaneous	48.39	81.30
Total	2,685.67	1,678.21
37. Exceptional items		
Adjustment on settlement of debts (refer note 59)	3,133.49	-
Litigation settlement fee received*	206.59	-
Total	3,340.08	-

*During the year, the Holding Company has received an amount of Rs.206.58 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

		For the year ended March 31, 2019	For the year ended March 31, 2018
38	**Income tax**		
	Income tax expense consists of the following:		
	Current tax expense for the year	75.47	10.91
	Deferred tax		
	Minimum alternative tax (MAT) credit adjustment/(entitlement)	27.83	98.84
	Deferred tax expense/(credit)	(26.23)	(11.17)
	Total income tax	77.07	98.58
	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	486.15	(637.35)
	Profit/(loss) before income taxes from discontinued operations	(23.90)	(24.04)
	Profit/(loss) before income taxes from continuing and discontinued operations	462.25	(661.39)
	At Holding Company's statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	161.53	(228.89)
	Adjustments in respect of current income tax		
	Minimum alternative tax (MAT) for current year	75.47	-
	Deferred tax not created on unused losses	(187.76)	230.85
	Minimum alternative tax (MAT) credit adjustments	27.83	98.84
	Others	-	(2.22)
	Total	77.07	98.58

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

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

	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	2,073.40	(207.76)	-	1,865.64
Capital expenditure on research and development	74.36	31.57	-	105.93
Others	24.21	(0.18)	-	24.03
	2,171.97	(176.37)	-	1,995.60
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	467.60	(42.06)	-	425.54
Effect of unabsorbed business loss and depreciation	1,511.54	(125.68)	-	1,385.86
Minimum alternative tax credit entitlement	328.98	(98.84)	-	230.14
Others	47.95	2.54	7.63	58.12
	2,356.07	(264.04)	7.63	2,099.66
Net deferred assets/(liabilities)	184.10	(87.67)	7.63	104.06

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)

	Year of expiry	**As at March 31, 2019**	As at March 31, 2018
Financial year			
Business Loss			
2011-12	2019-20	413.76	40.14
2012-13	2020-21	1,542.60	1,542.60
2013-14	2021-22	1,554.28	1,554.28
2015-16	2022-23	-	184.31
2016-17	2024-25	74.67	-
2017-18	2025-26	124.49	-
Potential tax benefit		1,296.35	1,160.61
Unabsorbed Depreciation			
2016-17	Unlimited	-	239.18
Potential tax benefit		-	83.58
Long term capital loss			
2011-12	2019-20	-	254.21
2013-14	2021-22	-	253.90
2015-16	2023-24	-	2.90
2017-18	2025-26	608.79	-
Potential tax benefit		141.82	117.89
Short term capital loss			
2017-18	2025-26	72.98	82.39
Potential tax benefit		25.50	28.51

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.165.41 million, Rs.165.71 million and Rs.69.92 million will expire on March 31, 2025, March 31, 2026 and March 31, 2034 respectively.

(Rs. in million)

		For the year ended March 31, 2019	For the year ended March 31, 2018
39.	**Earnings per share (EPS)**		
	Profit/(loss) attributable to shareholders from continuing operations	409.08	(735.93)
	Profit/(loss) attributable to shareholders from discontinued operations	(32.41)	(24.04)
	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.)	6.68	(12.02)
	- Basic and diluted earnings per equity share from discontinued operations (In Rs.)	(0.53)	(0.39)
	- Basic and diluted earnings per equity share from continuing and discontinued operations (In Rs.)	6.15	(12.41)

(Rs. in million)

	Particulars	**As at March 31, 2019**	As at March 31, 2018
40.	**Contingent liabilities and commitments**		
(A)	Contingent liabilities (to the extent not provided for)		
	Disputed demands/show cause notices under:		
	a) Income tax cases (refer note (a)(i), (ii) and (iii) below)	3,462.86	3,462.86
	b) Customs duty cases (refer note (b) below)	4.00	4.00
	c) Service tax (refer note (c) and (d) below)	-	72.60
	d) Duty saved under export licenses	-	76.95
	e) Labour cases (in view of large number of cases, it is impracticable to disclose each case)	170.00	170.00
	f) Sales Tax / VAT cases (refer note (e) below)	403.73	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

Notes :

a) i) Includes income tax demand of Rs.162.22 million in respect to Assessment Year (AY) 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 AY 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 AY 2010-11 and AY 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 AY 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 had filed an appeal before CIT (Appeals) against the order of department but the CIT (Appeals) gave decision in favour of department. The Holding Company has filed an 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 the case, hence no provision is required.

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 Holding Company believes that it has merit in its case, hence no provision is required.

c) In respect of service tax demands for Financial year (FY) 2003-04 to FY 2011-12, the Assessing Officer levied service tax on foreign services rendered and delivered outside India by the Holding Company and certain other services on which there was no liability to pay service tax. The cases are currently pending with CESTAT. The CESTAT remanded the matter back to the Commissioner of Service Tax, Delhi for denovo adjudication. Final orders from the CESTAT have been received.

d) In respect of service tax demands for FY 2008-09 to FY 2010-11, service tax department has disallowed CENVAT Credit of input services availed and distributed by the Holding Company as input service distributor. The hon'ble CESTAT has decided the case in favour of the Holding Company vide its order dated January 22, 2019.

e) In respect of sales tax / VAT demands for Ahmedabad, Delhi, Lucknow, Bangaluru, Patna, Ranchi and Pune, 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.

f) 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 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 matter was decided in favour of the Company on March 14, 2019.

g) 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 in to 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 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, 2019**	As at March 31, 2018
Property, plant and equipment	36.75	5.78

b) Other commitments :

i) Export commitments of Rs. Nil (March 31, 2018 : Rs.488.91 million) under advance licenses schemes and obligation outstanding against EPCG licenses.

ii) 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.

iii) 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 have approved transfer of pharmaceutical formulations business including related research and development activities and natural products extraction activities (referred to as 'Pharma business') to a recently incorporated wholly owned subsidiary, Panacea Biotec Pharma Limited ('PBPL'), with an objective to segregate the different businesses of the Company to ensure smooth functioning of each business in the future. The divestment has been approved by the shareholders of the 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 Operations in the Standalone Financial Statements of the Holding Company.

Subsequent to the year end, 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. 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 have approved a scheme of arrangement for demerger of its real estate business comprising wholly owned subsidiary Radhika Heights Limited ('RHL') alongwith its step down subsidiaries and two real estate properties from the Holding Company ('Demerged Undertaking') to its wholly-owned subsidiary ('Transferee Company'). Upon implementation of the demerger scheme and completion of related compliances, the Transferee Company (Ravinder Heights Limited) shall issue one equity share of Re. 1 each for each equity share held by the equity shareholders of the Holding Company as on the record date fixed on that behalf and the said equity shares shall be listed at the BSE and NSE in compliance with the applicable SEBI Regulations. 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 classified as held for sale and discontinued operations" / "Liabilities directly associated with assets classified as held for sale and discontinued operations" in the Standalone and Consolidated Statement of Assets and Liabilities.

iii) Financial performance and cash flows for the Real estate business:

(Rs. in million)

		For the year ended March 31, 2019	For the year ended March 31, 2018
a)	Analysis of profit / (loss) from discontinued operations		
	Profit / (loss) for the year from discontinued operations		
	Revenue from operations	-	-
	Other income	5.77	4.47
	Total Income	5.77	4.47
	Expenses		
	Cost of Materials consumed	-	-
	Purchases of stock-in-trade	-	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	-	-
	Excise duty	-	-
	Employee benefits expense		-
	Finance costs	0.01	0.01
	Depreciation and amortisation expense	10.30	12.51
	Other expenses	19.36	15.99
	Total expenses	29.67	28.51
	Profit/(loss) before exceptional items and tax	(23.90)	(24.04)
	Exceptional items	-	-
	Profit/(loss) before tax from discontinued operations	(23.90)	(24.04)
	Tax expense	8.51	-
	Profit/(loss) after tax from discontinued operations	(32.41)	(24.04)
b)	Net cash flows attributable to the discontinued operations		
	Net cash (outflows) / inflows from operating activities	70.50	-
	Net cash used in investing activities	(777.16)	-
	Net cash (outflows) / inflows from financing activities	(0.01)	-
	Net cash (outflows) / inflows	(706.67)	-
c)	Book value of assets and liabilities of discontinued operations		
	Property, plant and equipment and intangible assets (including CWIP)	538.76	-
	Goodwill	8.96	-
	Investments	-	-
	Other non-current financial assets	56.66	-
	Other non-current assets	177.60	-
	Inventories	1,680.16	-
	Trade receivable	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

	Particulars	As at March 31, 2019	As at March 31, 2018
	Cash and cash equivalents	3.57	-
	Other current financial assets	194.01	-
	Other current assets	4.68	-
	Total assets	2,664.40	-
	Non-current liabilities (Provisions)	11.46	-
	Deferred tax liabilities	88.74	-
	Trade payables	152.92	-
	Other financial liabilities	50.00	-
	Other current liabilities	2.08	-
	Total liabilities	305.20	-
	Net assets	2,359.20	-
d)	Payment to auditors*		
	As auditor		
	- Audit fee	2.60	2.60
	- Limited review fee	2.40	2.40
	In other capacity		
	- Certification and other matters	1.42	0.19
	- Reimbursement of out of pocket expenses	0.33	0.17
	Total	6.75	5.36
	* excludes service tax / goods and service tax		

42. Leases

Group as a lessee:

Operating leases

The Group has taken various residential, office and godown premises under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. There are no sublease payments expected to be received under non-cancellable subleases at the balance sheet date and no restriction is imposed by lease arrangements.

(Rs. in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease payments for the year recognised in the consolidated statement of profit and loss	12.95	14.44

Group as a lessor

Operating leases

The Group had earlier leased out certain assets situated at Lalru, Punjab on operating lease to PanEra Biotec Private Limited. The said lease deed has been terminated w.e.f. May 25, 2018.

There is no uncollectible minimum lease payments receivable at the balance sheet date. (Rs. in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease income for the year recognised in the consolidated statement of profit and loss	2.24	2.88

For assets given under operating lease agreements:

i) The Group had earlier leased out certain assets situated at Lalru, Punjab on operating lease to PanEra Biotec Private Limited, the summary of which is as under:

	Gross block		Accumulated depreciation	
Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Building	-	341.10	-	98.60
Furniture and fittings	-	41.18	-	36.21
Office equipment	-	21.65	-	19.55
Plant and equipment	-	2,215.11	-	1,308.59
Computer equipment	-	13.26	-	12.59
Total	-	2,632.30	-	1,475.54

ii) The depreciation expense for such assets is recorded in the Consolidated Statement of Profit and Loss as follows: (Rs. in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Building	-	10.68
Furniture and fittings	-	1.85
Office equipment	-	0.06
Plant and equipment	-	135.32
Computer equipment	-	0.00
Total	-	147.91

The lease agreement has been terminated w.e.f. May 25, 2018.

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, 2019 Principal	As at March 31, 2019 Interest*	As at March 31, 2018 Principal	As at March 31, 2018 Interest*
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	18.80	9.33	34.71	6.15
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	-	66.92	-
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	-	9.33	-	6.15
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	-	-	-	-

Note: *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 ("CPV") (Under liquidation)

b) Key Management Personnel:
- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- Mr. Ravinder Jain - Managing Director (upto February 21, 2018)
- Dr. Rajesh Jain - Managing Director (Joint Managing Director upto March 11, 2018)
- Mr. Sandeep Jain - Joint Managing Director
- Mrs. Sunanda Jain - Whole-time Director (w.e.f. March 12, 2018)
- Mr. Sumit Jain - Whole-time Director
- Mr. Ankesh Jain - Whole-time Director
- 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
- Mr. O. P. Kelkar - Non-Executive Independent Director (upto July 21, 2018)
- 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 (w.e.f. April 08, 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

(B) Transactions with the Joint Venture Company:

(Rs. in million)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
I	Transactions made during the year:		
	1 Rent received		
	CPV	0.36	0.36
II	Year end balances:		
	1 Investments		
	CPV	22.96	22.96
	2 Outstanding receivable		
	CPV	0.03	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(C) Transactions with Key Management Personnel, 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 / Key management personnel(s), along with their relatives) are able to exercise significant influence	
		As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
I)	Transactions made during the year:						
1	Short-term employee benefits						
	Mr. Soshil Kumar Jain*	11.19	10.70				
	Mr. Ravinder Jain*	-	35.83				
	Mrs. Sunanda Jain	5.80	0.31				
	Dr. Rajesh Jain*	7.30	7.25				
	Mr. Sandeep Jain*	6.70	6.60				
	Mr. Sumit Jain*	4.18	4.11				
	Mr. Ankesh Jain*	2.42	2.30				
	Mr. Vinod Goel	5.62	5.10				
	Mr. Devender Gupta	4.37	3.98				
	Mr. Shagun Jain			-	2.06		
	Mr. Ashwani Jain			3.03	3.03		
	Mrs. Shilpy Jain			0.35	0.55		
	Mrs. Radhika Jain			2.14	1.37		
	Mr. Harshet Jain			0.35	0.60		
2	Post-employment benefits						
	Mr. Soshil Kumar Jain*	16.23	23.65				
	Dr. Rajesh Jain*	10.43	12.95				
	Mr. Sandeep Jain*	9.64	12.49				
	Mr. Sumit Jain*	2.95	3.19				
	Mr. Ankesh Jain*	0.81	0.44				
	Mr. Vinod Goel	1.33	1.42				
	Mr. Devender Gupta	0.76	0.53				
	Mr. Shagun Jain	0.57	0.53				
	Mr. Ashwani Jain	1.75	1.62				
	Mrs. Shilpy Jain	-	0.11				
	Mrs. Radhika Jain	0.50	0.29				
	Mrs. Sunanda Jain	0.24	0.01				
	Mr. Harshet Jain	-	-				
3	Fee for attending board / committee meetings						
	Mr. R. L. Narasimha	0.33	0.37				
	Mr. N. N. Khamitkar	0.31	0.28				
	Mr. K. M. Lal	0.27	0.37				
	Mr. O. P. Kelkar	-	0.25				
	Mrs. Manjula Upadhyay	0.25	0.25				
	Mr. Mukul Gupta	0.25	0.25				
	Mr. Ashwini Luthra	0.10	-				
	Mr. Bhupinder Singh	-	-				
	Mr. Nithin Krishna Kaimal	-	-				
4	Rent received						
	Neophar					0.18	0.18
	Trinidhi					0.22	0.22
5	Interest expenses						
	Mr. Soshil Kumar Jain	9.43	9.43				
	Mr. Ravinder Jain	-	1.15				
	Dr. Rajesh Jain	8.88	5.51				
	Mrs. Sunanda Jain	1.15	-				
	Trinidhi					0.29	0.29

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	
		As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
6	Consultancy Expenses						
	Mrs. Shilpy Jain			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	40.00				
9	Reversal of excess remuneration paid						
	Mr. Soshil Kumar Jain	11.19	10.70				
	Mr. Ravinder Jain	-	10.22				
	Mrs. Sunanda Jain	5.80	0.45				
	Dr. Rajesh Jain	7.30	7.25				
	Mr. Sandeep Jain	6.70	6.60				
	Mr. Sumit Jain	4.18	4.11				
	Mr. Ankesh Jain	2.42	2.30				
II)	Year end balances:						
1	Loan payable (refer note 19(c)(5))						
	Mr. Soshil Kumar Jain	125.20	104.75				
	Dr. Rajesh Jain	120.02	94.63				
	Mrs. Sunanda Jain#	21.57	12.73				
	Trinidhi					3.38	3.06
2	Interest/Expense payable						
	Mr. Soshil Kumar Jain	-	11.97				
	Dr. Rajesh Jain	-	9.40				
	Mrs. Sunanda Jain#	-	7.81				
	Mrs. Shilpy Jain			0.05	-		
	Trinidhi					-	1.19
3	Outstanding receivable						
	Trinidhi					-	0.90
4	Remuneration Payable						
	Mr. Soshil Kumar Jain*	1.83	0.89				
	Dr. Rajesh Jain*	1.23	0.60				
	Mr. Sandeep Jain*	1.13	0.55				
	Mr. Sumit Jain*	0.81	0.34				
	Mr. Ankesh Jain*	0.38	0.19				
	Mr. Vinod Goel	0.50	0.43				
	Mr. Devender Gupta	0.76	0.33				
	Mrs. Sunanda Jain	1.04	0.45				
	Mr. Shagun Jain			-	0.17		
	Mr. Ashwani Jain			0.58	0.25		
	Mrs. Shilpy Jain			0.25	0.05		
	Mrs. Radhika Jain			0.29	0.11		
	Mr. Harshet Jain			-	0.05		

* Refer note 58

The outstanding loan payable along with interest payable thereon to late Mr. Ravinder Jain is transferred to his wife Mrs. Sunanda Jain.

Note: In respect of personal guarantees given by promoter directors, refer note 19 and note 22. The above transactions are in the ordinary course of business.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

45. Assets mortgaged/ hypothecated as security for borrowings are as under:

(Rs. in million)

Particulars	Note	**As at March 31, 2019**	As at March 31, 2018
Non Current			
Property, plant and equipment	2.1	7,700.72	8,865.60
Capital work in progress	2.2	54.78	47.57
Intangible assets	2.3	17.23	43.68
Intangible assets under development	2.4	141.15	324.04
Financial assets			
Loans	4	11.41	9.93
Other financial assets	5	10.92	2.51
Other non-current assets	8	101.95	222.00
Total non-current assets pledged as security		8,038.16	9,515.33
Current			
Inventories	9	760.05	1,490.95
Financial assets			
Trade receivables	11	871.04	1,422.66
Cash and cash equivalents	12	68.95	65.24
Other bank balances	13	86.33	52.56
Loans	14	181.13	149.87
Others financial assets	15	27.48	51.71
Non financial assets			
Other current assets	16	277.61	303.40
Total current assets pledged as security		2,272.59	3,536.39
Assets classified as held for sale and discontinued operations	41	496.12	-
Total assets mortgaged and pledged as security		10,806.87	13,051.72

46. Segment information

The Company has determined following reportable segments based on the information reviewed by the Company's management:

a. Vaccines
b. Formulations
c. Research and Development
d. Real estate

(A) Information about reportable segments

(Rs. in million)

Particulars	Vaccines		Formulations		Research and Development		Real Estate		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Segment revenue	961.89	1,868.21	3,604.95	3,996.80	0.12	96.60	-	-	4,566.96	5,961.61
Other income	6.88	4.21	18.42	56.25	7.20	1.38	5.77	4.45	38.27	66.29
Total Income	968.77	1,872.42	3,623.37	4,053.05	7.32	97.98	5.77	4.45	4,605.23	6,027.90
Less: Income from discontinued operations	-	-	-	-	-	-	5.77	4.45	5.77	4.45
Total Income from continuing operations	968.77	1,872.42	3,623.37	4,053.05	7.32	97.98	-	-	4,599.46	6,023.45
Segment result from continuing operations	(1,186.86)	175.50	337.11	1,332.21	(655.57)	(408.62)	-	-	(1,505.32)	1,099.09
Unallocated corporate expenses									306.88	742.23
Operating profit/ (loss)									(1,812.20)	356.86
Less: Interest and finance charges									1,048.29	1,005.78
Add: Unallocated exceptional items gain/ (loss)									3,340.08	-
Add: Other income									6.56	11.57
Profit/(loss) before tax from continuing operations									486.15	(637.35)
Less: Tax expense									77.07	98.58
Profit/(loss) after tax from continuing operations									409.08	(735.93)
Profit/(loss) after tax from discontinued operations									(32.41)	(24.04)
Profit/(loss) for the year									376.67	(759.97)
Other comprehensive income/(loss)									(4.61)	63.04
Total other comprehensive income									372.06	(696.93)

Other Information	Vaccines		Formulations		Research and Development		Real Estate		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Segment assets	4,347.98	5,345.23	3,021.17	4,392.40	1,658.36	2,108.41	2,664.40	2,527.96	11,691.91	14,374.00
Transferred to discontinued operations							2,664.40		2,664.40	-
Total	4,347.98	5,345.23	3,021.17	4,392.40	1,658.36	2,108.41	-	2,527.96	9,027.51	14,374.00
Unallocated corporate assets									2,063.29	1,701.56
Total assets	4,347.98	5,345.23	3,021.17	4,392.40	1,658.36	2,108.41	-	2,527.96	11,090.80	16,075.56
Segment liabilities	754.99	866.95	2,093.58	1,787.89	225.12	257.29	305.20	286.06	3,378.89	3,198.19
Transferred to discontinued operations							305.20		305.20	-
Total	754.99	866.95	2,093.58	1,787.89	225.12	257.29	-	286.06	3,073.69	3,198.19
Unallocated corporate liabilities									6,902.43	9,820.11
Total liabilities	754.99	866.95	2,093.58	1,787.89	225.12	257.29	-	286.06	9,976.12	13,018.30
Capital expenditure*:										
Tangible assets	2.27	30.51	6.89	10.35	0.27	0.18	-	0.23	9.43	41.27
Intangible assets	-	-	-	0.79	39.23	111.35	-	0.02	39.23	112.16
Depreciation expense	270.49	286.13	140.56	149.42	98.11	96.73	10.31	12.50	519.47	544.78
Amortisation expense	-	0.01	-	2.93	-	11.64	-	0.01	-	14.59
Total	272.76	316.65	147.45	163.49	137.61	219.90	10.31	12.76	568.13	712.80
Total expenditure for discontinued operations							10.31	12.76	10.31	12.76

* Note: Excluding unallocated capital expediture 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, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Vaccines	791.19	1,208.68	170.70	659.53
Formulations	2,584.52	2,916.01	1,020.43	1,080.79
Research and Development	0.12	4.37	-	92.23
Total	3,375.83	4,129.06	1,191.13	1,832.55
Revenue from discontinued operations	-	-	-	-
Total Revenue from continuing operations	3,375.83	4,129.06	1,191.13	1,832.55

b) Assets (net) as per geographical markets:

Segment	Domestic		Overseas	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Vaccines	4,336.69	5,345.09	11.29	0.14
Formulations	2,562.74	3,671.07	458.43	721.33
Research and Development	1,656.70	2,106.38	1.66	2.03
Real Estate	2,664.40	2,527.96	-	-
Corporate (unallocated)	2,063.29	1,701.54	-	0.02
Total	13,283.82	15,352.04	471.38	723.52
Assets transferred to discontinued operations	2,664.40	-	-	-
Total	10,619.42	15,352.04	471.38	723.52

c) Revenue from customers contributing more than 10% of revenue:

Segment	Domestic		Overseas	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Vaccines	-	-	-	-
Formulations	-	-	-	-
Research and Development	-	-	-	-
Real Estate	-	-	-	-
Total	-	-	-	-

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:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue expenditure		
Material consumed	14.52	5.25
Employee benefits expense	149.76	205.20
Other expenses	400.51	187.78
Depreciation and amortisation expense	98.10	108.37
Capital expenditure	39.50	111.53
Total	702.39	618.13

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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 Payment 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 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, 2019	As at March 31, 2018
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	241.90	223.62
	Fair value of plan assets as at the end of the year	41.36	69.31
	Net liability position recognised in balance sheet	200.54	154.31
b	Changes in defined benefit obligation		
	Present value of defined benefit obligation as at the start of the year	223.62	157.01
	Acquisition adjustment	6.84	-
	Interest cost	16.48	11.78
	Current service cost	21.38	18.12
	Past service cost	-	31.38
	Benefits paid for eligible employees	(35.51)	(15.78)
	Actuarial loss	9.09	21.11
	Present value of defined benefit obligation as at the end of the year	241.90	223.62
c	Net interest cost		
	Interest cost on defined benefit obligation	16.48	11.78
	Interest income on plan assets	5.02	5.69
	Net interest cost	11.46	6.09
d	Amount recognised in the statement of profit and loss		
	Current service cost	21.38	18.12
	Past service cost	-	31.38
	Net interest cost	11.46	6.09
	Amount recognised in the statement of profit and loss	32.84	55.59
e	Change in plan assets		
	Fair value of the plan assets at the beginning of the year	65.31	75.88
	Actual return on plan assets	4.19	5.21
	Employer contribution	3.81	-
	Fund management charges	(1.14)	-
	Benefits paid for eligible employees	(35.51)	(15.78)
	Fair value of the plan assets at the end of the year	36.66	65.31
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)	1.96
	Actuarial (gain)/loss on arising from change in financial assumption	46.06	(1.69)
	Actuarial loss on arising from experience adjustment	(30.34)	21.08
	Actuarial loss on arising on plan assets	0.84	0.48
	Total actuarial loss for the year	10.01	21.83
h	Actuarial assumptions		
	Discount rate	7.66%	7.60%
	Future salary increase	8.00%	5.00%

(Rs. in million)

		As at March 31, 2019	As at March 31, 2018
i	Demographic Assumption		
	Retirement age (years)	60/75	58/75
	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%	(19.28)	(8.26)
	b) Impact due to decrease of 0.50%	4.43	8.94
	Impact of the change in salary increase		
	a) Impact due to increase of 0.50%	2.67	8.25
	b) Impact due to decrease of 0.50%	(17.84)	(7.74)
k	Maturity profile of defined benefit obligation		
	April 2018 to March 2019	-	48.62
	April 2019 to March 2020	31.12	11.20
	April 2020 to March 2021	6.28	5.68
	April 2021 to March 2022	6.02	8.16
	April 2022 to March 2023	12.85	7.13
	April 2023 to March 2024	15.37	6.39
	April 2024 to March 2025	5.38	-
	April 2025 onwards	154.74	118.72

(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, 2019	Proportion (%) of equity interest Year Ended March 31, 2018
A.	Subsidiaries of Panacea Biotec Limited #			
1	Radhika Heights Limited	India	100.00%	100.00%
2	Rees Investment Limited$	Guernsey	100.00%	100.00%
3	Panacea Biotec (International) SA	Switzerland	100.00%	100.00%
4	Panacea Biotec Pharma Limited##	India	100.00%	-
5	PanEra Biotec Private Limited*	India	50.00%	50.00%
6	Adveta Power Private Limited*	India	75.00%	75.00%
	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 March 22, 2019 * Considered as subsidiary for the purpose of consolidation as per Ind AS 110. $ liquidated on May 23, 2019

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 (total assets minus total liabilities: As % of consolidated net assets	Net assets: Amount	Share in profit or (loss): As % of consolidated profit or loss	Share in profit or (loss): Amount	Share in other comprehensive income: As % of consolidated other comprehensive income	Share in other comprehensive income: Amount	Share in total comprehensive income: As % of consolidated total comprehensive income	Share in total comprehensive income: Amount
	Parent								
	Panacea Biotec Limited#	32.76%	1,137.87	165.67%	624.04	141.21%	(6.51)	165.98%	617.53
	Subsidiary								
1	Radhika Heights Limited	67.91%	2,359.20	-8.46%	(31.88)	0.00%	-	-8.57%	(31.88)
2	Rees Investment Limited$	-0.06%	(1.97)	-0.01%	(0.05)	0.00%	-	-0.01%	(0.05)
3	Panacea Biotec (International) SA	1.76%	61.03	0.61%	2.29	-41.21%	1.90	1.13%	4.19
4	Panacea Biotec Pharma Limited##	0.03%	1.00	0.00%	-	0.00%	-	0.00%	-
5	PanEra Biotec Private Limited*	-3.18%	(110.59)	-57.70%	(217.35)	0.00%	-	-58.42%	(217.35)
6	Adveta Power Private Limited*	0.79%	27.34	-0.10%	(0.38)	0.00%	-	-0.10%	(0.38)
	Joint Venture								
1	Chiron Panacea Vaccine Private Limited (Under Liquidation)	-	-	0.00%	-	0.00%	-	0.00%	-
	Total	100.00%	3,473.88	100.00%	376.67	100.00%	(4.61)	100.00%	372.06

excluding names for step down subsidiaries, since consolidated financial information of these entities is used for preparing these Consolidated Financial Statements.
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, 2019

51. On account of continuous losses of the Group, certain delays and defaults, in repayment of loan installments (including accrued interest thereon) on borrowings, have occurred during the year, which are described below.

(Rs. in million)

Particulars	Amount of installment*	Due Date	Paid On
A. Borrowings from banks (refer note (i) below)			
Bank of India - Foreign Currency Term Loan ('FCTL')	576.25	30-Sep-17	9-Apr-19
Bank of India - FCTL	576.25	30-Sep-18	9-Apr-19
Indian Overseas Bank- Term Loan	15.00	30-Jun-18	7-Jul-18
Indian Overseas Bank- Term Loan	15.00	30-Sep-18	9-Apr-19
Indian Overseas Bank- Term Loan	15.00	31-Dec-18	9-Apr-19
Indian Overseas Bank- Term Loan	15.00	31-Mar-19	9-Apr-19
State Bank of India- Term Loan - I	5.98	30-Jun-18	18-Jul-18
State Bank of India- Term Loan - I	12.19	30-Sep-18	9-Apr-19
State Bank of India- Term Loan - I	12.19	31-Dec-18	9-Apr-19
State Bank of India- Term Loan - I	12.19	31-Mar-19	9-Apr-19
State Bank of India- Term Loan - II	11.64	30-Jun-18	18-Jul-18
State Bank of India- Term Loan - II	24.00	30-Sep-18	9-Apr-19
State Bank of India- Term Loan - II	24.00	31-Dec-18	9-Apr-19
State Bank of India- Term Loan - II	24.00	31-Mar-19	9-Apr-19
Canara Bank- Working Capital Term Loan ('WCTL')	0.55	30-Sep-18	9-Apr-19
Canara Bank- WCTL	0.55	31-Dec-18	9-Apr-19
Canara Bank- WCTL	0.55	31-Mar-19	9-Apr-19
IDBI Bank - WCTL	0.26	30-Jun-18	6-Jul-18
IDBI Bank - WCTL	0.26	30-Sep-18	28-Dec-18
IDBI Bank - WCTL	0.26	31-Dec-18	2-Jan-19
State Bank of India- WCTL	8.58	30-Sep-18	9-Apr-19
State Bank of India- WCTL	8.58	31-Dec-18	9-Apr-19
State Bank of India- WCTL	8.58	31-Mar-19	9-Apr-19
Bank of India- WCTL	0.61	31-Mar-18	5-Apr-18
Bank of India- WCTL	0.91	30-Sep-18	9-Apr-19
Bank of India- WCTL	0.91	31-Dec-18	9-Apr-19
Bank of India- WCTL	0.91	31-Mar-19	9-Apr-19
Union Bank of India- WCTL	0.67	30-Sep-18	9-Apr-19
Union Bank of India- WCTL	0.67	31-Dec-18	9-Apr-19
Union Bank of India- WCTL	0.67	31-Mar-19	9-Apr-19
Indian Overseas Bank- WCTL	0.70	30-Sep-18	9-Apr-19
Indian Overseas Bank- WCTL	0.70	31-Dec-18	9-Apr-19
Indian Overseas Bank- WCTL	0.70	31-Mar-19	9-Apr-19
Canara Bank- Funded Interest Term Loan ('FITL')	0.33	30-Sep-18	9-Apr-19
Canara Bank- FITL	0.33	31-Dec-18	9-Apr-19
Canara Bank- FITL	0.33	31-Mar-19	9-Apr-19
IDBI Bank - FITL	0.18	30-Jun-18	6-Jul-18
IDBI Bank - FITL	0.18	30-Sep-18	28-Dec-18
IDBI Bank - FITL	0.18	31-Dec-18	2-Jan-19
IDBI Bank - FITL	0.18	31-Mar-19	9-Apr-19
State Bank of India- FITL	6.11	30-Jun-18	18-Jul-18
State Bank of India- FITL	11.31	30-Sep-18	9-Apr-19
State Bank of India- FITL	11.31	31-Dec-18	9-Apr-19
State Bank of India- FITL	11.31	31-Mar-19	9-Apr-19
Bank of India- FITL	1.92	31-Mar-18	5-Apr-18
Bank of India- FITL	2.88	30-Sep-18	9-Apr-19
Bank of India- FITL	2.88	31-Dec-18	9-Apr-19
Bank of India- FITL	2.88	31-Mar-19	9-Apr-19
Union Bank of India- FITL	0.46	30-Sep-18	9-Apr-19
Union Bank of India- FITL	0.46	31-Dec-18	9-Apr-19
Union Bank of India- FITL	0.46	31-Mar-19	9-Apr-19
Indian Overseas bank- FITL	3.72	30-Jun-18	3-Jul-18
Indian Overseas bank- FITL	3.72	30-Sep-18	9-Apr-19
Indian Overseas bank- FITL	3.72	31-Dec-18	9-Apr-19
Indian Overseas bank- FITL	3.72	31-Mar-19	9-Apr-19

(Rs. in million)

Particulars	Amount of installment*	Due Date	Paid On
B. Other borrowings			
EARC - Term Loan I (refer note (i) below)	20.39	31-Dec-18	9-Apr-19
EARC - Term Loan I (refer note (i) below)	16.84	25-Mar-19	9-Apr-19
EARC - Term Loan II (refer note (i) below)	2.00	30-Sep-18	9-Apr-19
EARC - Term Loan II (refer note (i) below)	2.00	31-Dec-18	9-Apr-19
EARC - Term Loan II (refer note (i) below)	2.00	31-Mar-19	9-Apr-19
Biotechnology Industrial Research Assistance Council (BIRAC) - Loan 1	7.00	30-Sep-18	25-Apr-19
BIRAC - Loan 1	7.00	31-Mar-19	25-Apr-19
BIRAC - Loan 2	1.50	29-Nov-18	25-Apr-19
Loan from Department of Science & Technology	2.00	21-Sep-18	14-May-19
Loan from Directors - Mrs. Sunanda Jain (refer note 44 (C))	21.57	June 2014 to March 2019	converted into long term loan on 6-Apr-19
Loan from Trinidhi Finance Private Limited	3.38	December 2013-March 2019	payment term revised to 30-Sep-19

Note:
i) Refer note 60.
ii) The interest payment on above loans from banks and EARC were also delayed and paid as part of the settlement on April 9, 2019.

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, 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

As at March 31, 2018	Fair value through profit & loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
i) Investments	0.70	-	-
ii) Trade receivables	-	-	1,360.10
iii) Cash and cash equivalents	-	-	164.37
iv) Other bank balances	-	-	68.00
v) Loans	-	-	363.53
vi) Others financial assets	-	-	104.36
Total	0.70	-	2,060.36
Financial Liabilities			
i) Borrowings	-	-	9,464.84
ii) Trade payables	-	-	2,771.95
iii) Other financial liabilities	-	-	113.83
Total	-	-	12,350.62

Investment in subsidiaries amounting to Rs.3,426.11 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.

B1 Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. in million)

As at March 31, 2019	Note	Level 1	Level 2	Level 3
Investments	3	-	0.70	-

As at March 31, 2018	Note	Level 1	Level 2	Level 3
Investments	3	20.29	0.70	-

B2. Fair value of instruments measured at amortised cost

(Rs. in million)

	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Borrowings	6,485.12	6,448.72	9,464.84	9,443.86

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 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 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.

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, 2019	As at March 31, 2018
A: Low credit risk	Cash and cash equivalents	144.66	164.37
	Other bank balances	90.14	68.00
	Loans	192.97	363.53
	Other financial assets	46.89	104.36
B: Medium credit risk	Trade receivables	943.71	1,400.13
C: High credit risk	Trade receivables	75.95	25.60

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

(Rs. in million)

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 assets	46.89	0.00%	-	46.89

As at March 31, 2018

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	164.37	0.00%	-	164.37
Other bank balances	68.00	0.00%	-	68.00
Loans	363.53	0.00%	-	363.53
Other financial asset	104.36	0.00%	-	104.36

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 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).

(Rs. in million)

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

* including Gross carrying amount of Rs.512.39 million pertaining to discontinued operations
**ECL provision of Rs.52.15 million pertaining to discontinued operations

As at March 31, 2018

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	285.97	350.45	140.23	35.02	8.36	23.44	15.72	859.19
Expected loss rate	1.35%	2.15%	3.49%	2.40%	25.24%	21.72%	100.00%	4.66%
Expected credit loss (Loss allowance provision)	3.86	7.52	4.89	0.84	2.11	5.09	15.72	40.03
Carrying amount of trade receivables (net of impairment)	282.11	342.93	135.34	34.18	6.25	18.35	-	819.16

Changes in allowance for trade receivables (Rs. in million)

Particulars	Amount
As at March 31, 2018	65.63
Loss recognised/(reversed) during the year	66.73
As at March 31, 2019	132.36

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, 2019					
(i) Borrowings	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
March 31, 2018					
(i) Borrowings	6,477.10	1,444.12	1,600.88	5,230.67	14,752.77
(ii) Trade payables	2,771.95	-	-	-	2,771.95
(iii) Other financial liabilities	113.83	-	-	-	113.83
Total	9,362.88	1,444.12	1,600.88	5,230.67	17,638.55

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, 2019	As at March 31, 2018
Variable rate	6,194.97	8,999.97
Fixed rate	269.98	464.87
Total	6,464.95	9,464.84

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, 2018: +/- 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, 2019	For the year ended March 31, 2018
Interest rates - increase by 100 basis points (March 31, 2018: 100 basis points)	(40.30)	(58.85)
Interest rates - decrease by 100 basis points (March 31, 2018: 100 basis points)	40.30	58.85

'* Holding all other variables constant

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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 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:

(Rs. in million)

Particulars		As at March 31, 2019			As at March 31, 2018		
	Foreign Currency	Amount in Foreign Currency	Closing Rate	Amount	Amount in Foreign Currency	Closing Rate	Amount
Financial assets							
Balance with banks	USD	639	69.15	0.04	5,589	65.17	0.36
	Euro	931,273	77.66	72.32	1,054,561	80.82	85.23
	CHF	22,426	69.41	1.56	76,460	68.50	5.24
	KZT	52,110	0.21	0.01	52,110	0.21	0.01
	RUB	16,460	1.05	0.02	16,556	1.13	0.02
Foreign trade receivable	Euro	2,374,840	77.66	184.42	2,709,121	80.82	218.94
	CHF	1,472	69.41	0.10	74,634	68.50	5.11
	USD	3,342,438	69.15	231.13	3,899,105	65.17	254.10
Financial liabilities							
Foreign trade payable	USD	2,546,269	69.16	176.10	2,579,377	65.18	168.12
	Euro	2,803,452	77.70	217.83	3,865,266	80.85	312.50
	GBP	38,694	90.57	3.50	12,173	92.31	1.12
	CHF	92,455	69.41	6.42	118,407	68.50	8.11
	JPY	2,722,810	0.62	1.70	2,722,810	0.62	1.68
	SEK	16,820	7.44	0.13	16,820	7.80	0.13
	CAD	43,428	51.54	2.24	14,328	50.68	0.73
	THB	5,547	2.18	0.01	5,547	2.09	0.01
Foreign currency loans	USD	15,681,865	72.49	1,136.70	25,000,000	65.18	1,629.50
Interest accrued but not due	USD	-	72.49	-	9,612	65.18	0.63
Net exposure							
	USD	(14,885,057)	-	(1,081.63)	(23,684,295)	-	(1,543.78)
	Euro	502,662	-	38.91	(101,584)	-	(8.33)
	GBP	(38,694)	-	(3.50)	(12,173)	-	(1.12)
	CHF	(68,556)	-	(4.76)	32,688	-	2.24
	RUB	16,460	-	0.02	16,556	-	0.02
	THB	(5,547)	-	(0.01)	(5,547)	-	(0.01)
	SEK	(16,820)	-	(0.13)	(16,820)	-	(0.13)
	CAD	(43,428)	-	(2.24)	(14,328)	-	(0.73)
	KZT	52,110	-	0.01	52,110	-	0.01
	JPY	(2,722,810)	-	(1.70)	(2,722,810)	-	(1.68)

* 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Currency	Profit for the year +200bps		Profit for the year -200bps	
USD	(14.07)	(20.09)	14.07	20.09
Currency	Profit for the year +500 bps		Profit for the year -500 bps	
EURO	1.27	(0.27)	(1.27)	0.27
GBP	(0.11)	(0.04)	0.11	0.04
Currency	Profit for the year +200bps		Profit for the year -200bps	
JPY	(0.02)	(0.02)	0.02	0.02
CHF	(0.03)	(0.01)	0.03	0.01

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, 2019	As at March 31, 2018
Non-current borrowings	5,791.27	7,815.99
Current borrowings	693.85	1,648.85
Less: Cash and cash equivalents	(144.66)	(164.37)
Net debt	6,340.46	9,300.47
Total equity	3,473.88	3,057.26
Net debt to equity ratio	182.52%	304.21%

55. Reconciliation of liabilities arising out of financing activities

A. Reconciliation of liabilities arising from 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, 2018	7,758.66	1,648.85	9,407.51
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 account	116.87	-	116.87
- Conversion of short term loan into long term loan	266.80	(266.80)	-
- Conversion of interst accued into short term loan	-	54.57	54.57
- Notional interest expense recorded on less than market rate loans	10.84	-	10.84
Net debt as at March 31, 2019	5,771.10	693.85	6,464.95

Particulars	Long term borrowings	Short term borrowings	Total
As at April 01, 2017	8,028.72	1,907.19	9,935.91
Cash changes:			
- Proceeds	57.97	39.96	97.93
- Repayment	(348.15)	(298.30)	(646.45)
Other non-cash changes			
- Foreign currency monetary item translation difference account	8.00	-	8.00
- Impact of effective interest rate adjustment	2.39	-	2.39
- Notional interest expense recorded on less than market rate loans	9.73	-	9.73
Net debt as at March 31, 2018	7,758.66	1,648.85	9,407.51

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
		%	%	%	%	
Radhika Heights Limited	India	100	100	-	-	Real estate
Rees Investments Limited[$]	Guernsey	100	100	-	-	Investment
Panacea Biotec (Intl.) SA, Switzerland	Switzerland	100	100	-	-	Pharmaceuticals
Panacea Biotec Pharma Limited[##]	India	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 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. (Rs. in million)

Summarised balance sheet	PanEra Biotec Private Limited		Adveta Power Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Current assets	37.66	254.85	0.18	0.18
Current liabilities	108.88	311.17	28.49	26.52
Net current assets	(71.22)	(56.32)	(28.31)	(26.34)
Non-current assets	11.01	11.24	29.15	27.60
Non-current liabilities	-	14.15	-	-
Net non-current assets	11.01	(2.91)	29.15	27.60
Net assets	(60.21)	(59.23)	0.84	1.26
Accumulated NCI	(30.11)	(29.62)	0.21	0.32

Summarised statement of profit and loss	PanEra Biotec Private Limited		Adveta Power Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue	221.42	211.18	-	-
Profit of the year	(0.97)	(40.35)	(0.44)	(0.07)
Other comprehensive income	-	0.04	-	-
Total comprehensive income	(0.97)	(40.31)	(0.44)	(0.07)
Profit allocated to NCI	(0.49)	(20.16)	(0.11)	(0.02)
Dividend paid to NCI	-	-	-	-

Summarised cash flows	PanEra Biotec Private Limited		Adveta Power Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Cash flows from operating activities	(18.18)	(602.50)	1.52	(0.04)
Cash flows from investing activities	11.95	608.24	(1.55)	(0.25)
Cash flows from financing activities	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	(6.23)	5.74	(0.03)	(0.29)

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, 2019	As at March 31, 2018
Chiron Panacea Vaccines Private Limited (Under Liquidation)*	India	50	Joint Venture	Equity method	52.59	51.77
Total equity accounted investments					52.59	51.77

*Unlisted entity – no quoted price available.

(i) Contingent liabilities and commitments

The Group has Nil contingent liabilities and commitments in respect of joint venture.

57. Subsequent to the year ended March 31, 2019, 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.9,920.0 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.8,640.0 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 Holding 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 is 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. 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;

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 Company has 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 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 Company. Accordingly, the said applications stand abated at the Central Government. The Company has accordingly decided to obtain the necessary approval from its shareholders in due course in compliance with the aforesaid amended provisions of the Companies Act, 2013. Pending such approval, the Company has recorded an amount of Rs.154.0 million as on March 31, 2019 (March 31, 2018: Rs.116.4 million) as recoverable from such directors towards such excess remuneration paid. The Company is confident of obtaining necessary approvals from its shareholders.

59. For the financial year ended March 31, 2019, the Group has incurred a loss (before tax and exceptional items) of Rs.2,877.83 million (2018: loss of Rs.661.39 million) from continuing and discontinued operations. The continuous operating losses have adversely affected the cash flows of the Company. The Group has already taken various measures aimed at improving the financial condition of the Company, inter-alia, 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.

60. During the year, the Holding Company has reached bilateral settlements of its debts with each consortium lender individually. Subsequent to the year end, 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 has 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 subsidiaries had signed a Term sheet with the developer on 03.09.2012 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. Further, the Term Sheet was a Preliminary document for the development of the Township over the land. However, due to notification of Master Plan 2031, the Collaboration agreement was signed dated 19.10.2012 and also in between an agreement dated. 04.10.2012 was executed between the parties that in case the land owners resale/ back out/ refrain from abiding by contractual covenants incorporated in the Term Sheet, the developer shall be entitled to estimated/ liquidated compensation equivalent to Rs. 30 Crore from land owners or 10 acres of land in case the Land owners fail to pay this amount during the period of 6 months of breach alongwith refund of any amount made by the developer with the Land Owners. Certain disputes had arisen between the parties and while the negotiations were still on, Bestech India Pvt. Limited ("the Developer") invoked arbitration by sending Notice on 16.12.2013 to RHL and its four subsidiaries, and filed Section 9 Petition with the Hon'ble District court, Gurgaon, and the matter was then referred to Arbitral Tribunal. The Hon'ble District Court vide its order dated 12.02.2014 granted an interim stay over the Land according to which RHL and its four subsidiaries cannot sell, create any third party rights and interfere in any manner with the land. Further, RHL and its four subsidiaries moved petition with the Hon'ble High Court at Chandigarh seeking cancellation of the stay. In response, the Developer appealed for extension of stay till the decision of Arbitration is granted. After hearing both sides, the Hon'ble High Court at Chandigarh extended the stay over land till the decision of Arbitral Tribunal. In the Arbitral Tribunal proceedings, the developer (Bestech) and RHL & its four subsidiaries have filed their Claim and Counter Claim alongwith their Replies and Rejoinders and RHL and its four subsidiaries filed its amended Counter Claim excluding its claim relating to land of 14 acres for Group Housing development. The developer has filed its reply to the amended counter claim and thereafter RHL and its four subsidiaries have filed rejoinder to such reply. Now the matter is at the cross examination of witnesses of the Developer. The matter is under arbitration and hence subjudiced and is likely to take some time before it is decided. However, liability if any, cannot be quantified at this point of time and in case the liability stands quantified by the Hon'ble Arbitral Tribunal, the same shall be paid in proportion to the lands owned by RHL and its four subsidiaries. The management of RHL is certain and hopeful to receive favorable orders from the Arbitral Tribunal.

62. During the financial year 2007-08, the Holding Company had given an advance of Rs.176.8 million 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

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 Company has initiated legal recourse and issued a legal notice to the Developer.

During the previous financial year, with a view to restructure the Holding Company's debt obligations and reduce its interest outlay, the Board of Directors of the Holding Company had approved the assignment of its receivables from the Developer to RHL in lieu of adjustment of part of RHL's loan payable by the Holding Company. The Holding Company has executed the agreement for assignment of this advance to RHL on April 06, 2019. The process of assigning the said receivable to RHL and complying with the applicable provisions of the Foreign Exchange Management Act, 1999 as amended and other applicable laws, is expected to be completed in due course.

In view of ongoing discussions with the Developer and on the basis of the legal advice obtained, the Group 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 the advance given to the Developer is fully realisable. Accordingly, no adjustments are considered necessary in the books of accounts.

63. As at March 31, 2019, a cumulative amount of Rs.411.30 million (March 31, 2018 Rs.341.38 million) is available with the Group 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. However, based on revised estimates of future profitability projections and other factors disclosed under note 52, the management, expects that the recoverable amount of MAT will be Rs.202.30 million as at March 31, 2019 (March 31, 2018: Rs.230.14 million). Accordingly, an amount of Rs.27.83 million (net of MAT credit of Rs.69.92 million) (financial year 2017-18: Rs.98.81 million) has been provided as non-recoverable during the year. The total provision of non receoverable MAT is Rs.209.00 as on March 31, 2019 (March 31, 2018: Rs.111.24 million).

64. 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.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Anupam Kumar
Partner
Membership No. 501531

Place : New Delhi
Date : May 30, 2019

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

Panacea Biotec

Innovation in support of life

Panacea Biotec Ltd.

CIN: L33117PB1984PLC022350

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