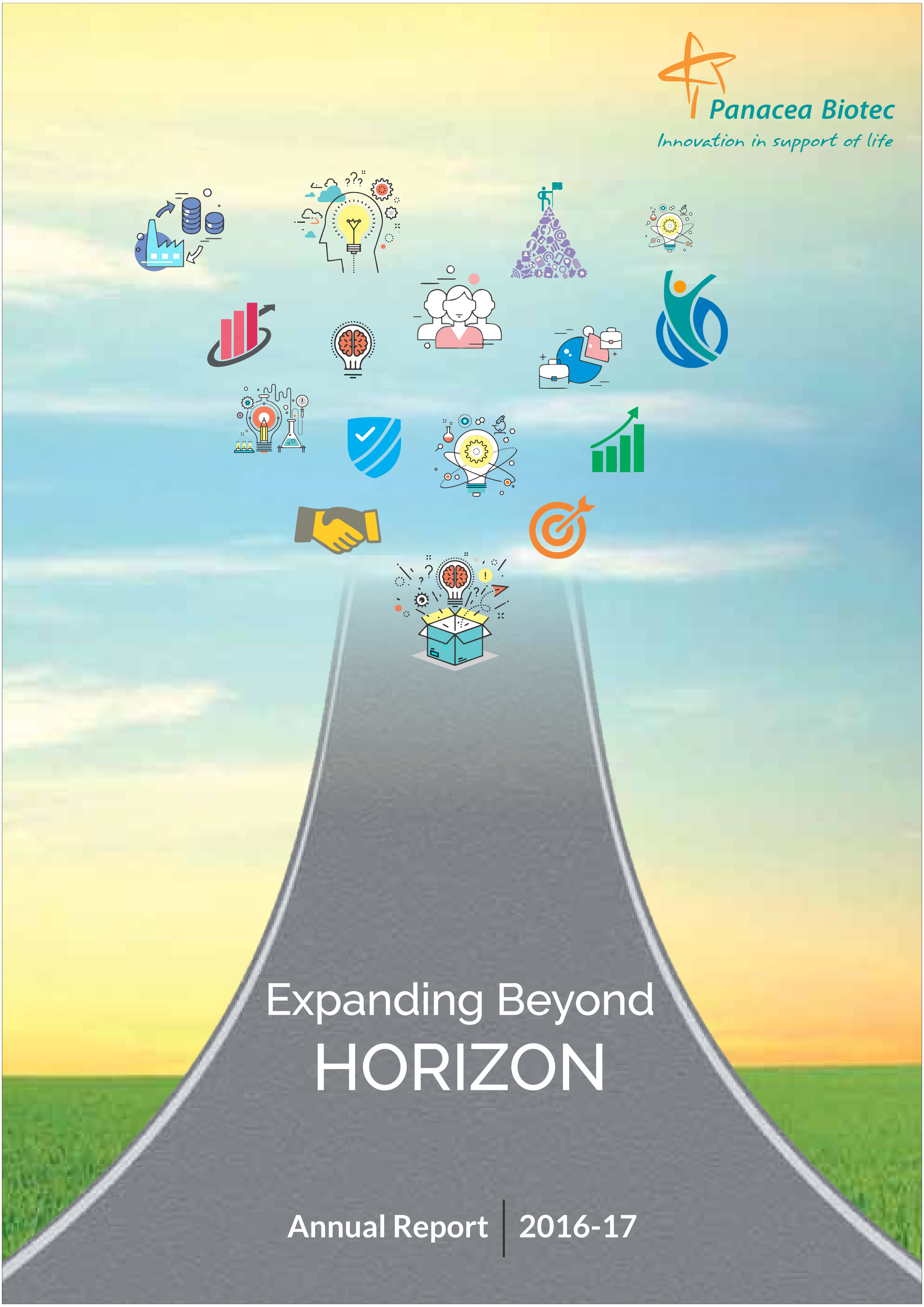

Expanding Beyond HORIZON

Annual Report | 2016-17

Apotex v. Abraxis - IPR2018-00153, Ex. 1029, p.01 of 148

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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
- Mr. Ravinder Jain - Managing Director
- Dr. Rajesh Jain - Joint Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- Mr. Sumit Jain - Director Operations & Projects
- Mr. Ankesh Jain - Director Sales & Marketing

Non-Executive Independent Directors

- Mr. R. L. Narasimhan
- Mr. N. N. Khamitkar
- Mr. K. M. Lal
- Mr. O. P. Kelkar
- Mrs. Manjula Upadhyay
- Mr. Mukul Gupta

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

Information as on May 30, 2017

www.panaceabiotec.com
CIN: L33117PB1984PLC022350

R&D Centres

GRAND R&D Centre
Plot No. 72/3, Gen Block, T.T.C. Indl. Area
Mahape, Navi Mumbai - 400 710, India

SAMPANN Drug Delivery R&D Centre
Ambala-Chandigarh Highway
Lalru – 140 501, Punjab, India

LAKSH Drug Discovery R&D Centre
Plot No. E-4, Phase II, Indl. Area
Mohali – 160 055, Punjab, India

OneStream Research Centre
B-1 Extn./A-24-25, Mohan Co-operative Indl. Estate
Mathura Road, New Delhi -110 044, India

Sales & Marketing Office

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

Statutory Auditors

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

Secretarial Auditors

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

Cost Auditors

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

Registrar & Transfer Agents

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

Banks

Axis Bank Limited
Bank of India
Canara Bank
IDBI Bank Limited
Indian Overseas Bank
State Bank of India
Union Bank of India

Mission

Innovation in Support of Life

Vision

Leading Health Management Company

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

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

Pioneer

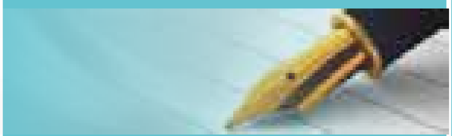
- Striving for leadership in every activity and to become the guiding star
- Having a vision of the future and succeed in reaching there before anyone else
- Persevere in owning innovation and be the first mover in the market
- Empowering people to speed up the organisation growth
- Always embracing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

Pharmaceutical Formulations Facility, Baddi, Himachal Pradesh

Chairman's Message



"Always remember, you have within you the strength, the patience, and the passion to reach for the stars to change the world."

Harriet Tubman

Dear Stakeholders,

It gives me immense pleasure to share with you that Panacea Biotec has continued its tradition of being one of the most innovative and highly progressive Company in India. Following this, the Company has launched world's first wP based fully liquid hexavalent vaccine EasySix™ and tetravalent vaccine Easyfour-TT in India during the financial year 2016-17. The Company's credentials in Innovation were globally recognized when your Company was once again conferred "Clarivate Analytics India Innovation Award 2016" in March 2017 by Thomson Reuters recognizing Panacea Biotec as one of the Top 50 Indian Innovator Companies based on patents related matrix such as volume of patents (patents published) as well as patent quality (grant success rate, extent of globalization, and citations).

Vaccines have played an important role in saving millions of lives across the globe by protecting children from various deadly diseases. The global vaccines market was estimated at US$ 32 billion in 2016 and is expected to grow to US$ 52 billion by 2022 growing at a CAGR of 8.3%. The Indian vaccine industry exemplifies the spirit of the 'Make-in-India' Programme and stands on a strong pedestal of domestic manufacturing success. The vaccines produced by Indian companies are used for the national immunization and in around 150 countries globally, which makes India a major vaccine supplier, with one in three vaccines across the world being made by Indian companies.

The global pharmaceutical industry, which has continued to face several challenges including the increasing regulatory concerns, price controls, and insistence by countries on local manufacturing etc., is expected to reach at around US$ 1.5 trillion by 2021 growing at a CAGR of 4-7% from 2016. The Indian pharmaceutical industry at this juncture is at cross roads, where it is facing enormous challenges not only from domestic issues like changing regulatory scenarios, push for generics by Government, increasing conflicts related to patents with multinationals, demand for making products more affordable and yet develop new drugs through investment in R&D.

During the year, your company has achieved net revenues of Rs. 5,301 million despite the challenges faced by the Company on account of increasing price competition in sale of pentavalent vaccine Easyfive-TT to UNICEF/PAHO, non-availability of IPV bulk, increasing price controls by NPPA, banning of irrational FDCs by DCGI and applicability of excise duty upon expiry of holiday period at Baddi facilities.

During the financial year 2016-17, your Company has earned EBITDA of Rs.1,209 million and the finance costs have reduced to Rs.1,014 million. The Company's loss before tax and exceptional items has reduced to Rs.462 million as against Rs.482 million during FY2015-16 etc. The Company's long term debts have reduced by Rs.205 million during the year. The Company has recently divested its entire stake in its subsidiary company viz. NewRise Healthcare Private Limited at an enterprise value of Rs.1,800 million and the funds received from such divestment have been utilized for meeting working capital requirements and for reduction of debts.

During the year, the Company has received USFDA approval for its 2nd Abbreviated New Drug Application (ANDA), viz. Rizatriptan oral dispersible tablets and has recently launched the same in US markets through collaboration with Bionpharma Inc., USA thereby expanding the existing collaboration with them. In addition, the approval process for other ANDAs filed earlier with the USFDA is in progress. Your Company is also developing more than 10 ANDAs with a target of filing during the next 2 years. The Company is in discussion with various leading pharma companies for launching these products in US, Europe, etc. The Company is also building a robust pipeline of around 25 products for filing in several other emerging markets which it will be filing in the next 12-15 months and aims to improve the accessibility and affordability of medicines as the Company's contribution to Government of India's "MAKE IN INDIA" mission.

Your Company has entered into a long term award with UNICEF for supply of 10 million doses of Easyfive-TT in CY2017 and has also received a notification from Pan American Health Organization (PAHO) for supply of around 5.0 million doses of Easyfive-TT through December 2019 with overall value of US$ 20.475 million (around Rs.1,400 million). The Company has also secured tenders worth around Rs.144 million for supply of bOPV to Government of India for FY2017-18. The production of bOPV at Company's vaccine formulation facility at Baddi has also started.

As a part of the long-term growth strategy, the Company is now expanding its sales of recently launched hexavalent vaccine EasySix™ in India and is expediting development of other critical vaccines including the pneumococcal vaccine and dengue vaccine which are expected to be launched during FY2019-20.

Panacea Biotec thrives 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 uncertainty and challenges but it is also full of opportunities. As an organization we have evolved and we have evolved for the better. 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

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Panacea Biotec
At a Glance

Panacea Biotec is one of India's leading research-based health management companies with established capabilities in research & development, manufacturing and marketing of pharmaceutical formulations, vaccines and biopharmaceuticals. Panacea Biotec consistently focuses on providing novel and innovative products at affordable prices by merging the cutting-edge science and technology with its unwavering commitment to spread good health and healthy living within the reach of the millions of families across the world to meet the unmet needs of patients.

The company has collaborations and tie-ups with leading national and international research and commercial organizations and pharmaceutical companies to achieve the mutual aim of better-quality healthcare. The company's state of the art manufacturing facilities for vaccines and pharmaceutical formulations comply with the key International regulatory bodies like USFDA, BfArM Germany and WHO-cGMP standards. The product portfolio includes highly innovative prescription products in niche therapeutic areas such as diabetes & cardiovascular management, oncology, nephrology & transplant management, osteoporosis management, gastro-intestinal care, pain management products and pediatric immunization. The Company has established sales and marketing set-up in India and also exports its products to more than 30 countries.

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Financial Highlights

Particulars	2016-17		2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Financial Performance	(Rs. in mn)	US$ mn***	(Rs. in mn)								
Summary											
Net Turnover	5,079.8	78.3	6,196.5	6,432.2	4,671.4	5,304.2	6,883.8	11,304.6	8,843.7	7,734.2	8,304.4
Total Income	5,824.2	89.8	6,724.6	7,072.5	5,146.7	6,013.5	7,080.4	11,655.1	9,778.5	7,993.9	8,676.2
EBITDA	1,209.1	18.6	1,380.7	955.7	(805.9)	(786.6)	(864.5)	2,843.5	1,582.5	2,444.6	2,177.6
PBT	(837.8)	(12.9)	14.0	(633.4)	(4.2)	(2,506.3)	(2,629.5)	1,554.9	1,181.0	(923.7)	1,903.9
PAT	(862.5)	(13.3)	8.7	(652.3)	(4.2)	(2,301.3)	(2,077.9)	1,350.5	800.4	(690.5)	1,331.7
Cash Accurals	(32.0)	(0.5)	744.2	(91.1)	(690.4)	(1,251.7)	(1,165.5)	2,106.5	1,095.8	2,001.4	1,802.2
Equity Share Capital	61.3	0.9	61.3	61.3	61.3	61.3	61.3	61.3	66.8	66.8	66.8
Preference Share Capital	163.0	-	163.0	163.0	-	-	-	-	-	-	-
Reserves & Surplus	4,420.9	68.2	5,176.0	5,172.8	5,561.6	5,551.3	8,079.6	6,306.8	6,898.4	6,084.7	6,905.3
Shareholders' Funds	4,645.2	71.6	5,400.3	5,397.1	5,622.9	5,612.6	8,140.9	6,367.8	6,963.2	6,147.8	6,966.7
Total Liabilities	17,760.4	273.9	18,074.3	18,792.3	18,864.6	16,798.2	18,528.8	17,177.9	14,745.3	13,488.2	11,549.5
Net Fixed Assets	9,644.5	148.7	10,065.9	10,766.6	11,120.3	9,864.1	10,483.7	6,523.6	6,946.6	6,938.7	5,343.7
Total Assets	17,760.4	273.9	18,074.3	18,792.3	18,864.6	16,798.2	18,528.8	17,177.9	14,745.3	13,488.2	11,549.5
Shareholders Related Ratios											
Equity Dividend	-		-	-	-	-	-	75%	25%	-	100%
EPS (Basic)* (In Rs.)	(14.1)		0.1	(10.6)	(0.1)	(37.6)	(33.9)	21.4	12.0	(10.3)	20.1
Cash EPS (Basic)* (In Rs.)	(3.4)		11.8	0.1	11.2	(23.9)	(21.6)	30.4	19.3	30.0	27.3

* Per Equity Share of Re.1 each
*** 1 USD= 64.85
Note: Figures in brackets are negative numbers

Core Strengths

Rising from when it started the journey in 1984, Panacea Biotec has established a respectable and honorable position in the Indian Pharmaceutical Industry. Panacea Biotec is the 5th largest vaccine producer in India and 15th largest biotechnology companies in India as per BioSpectrum Ranking Survey, 2016. In the Indian pharmaceutical industry, Panacea Biotec is ranked at 11th position in its represented therapeutic segments and is also amongst the top 60 pharmaceutical Companies of India as per the AIOCD AWACS (MAT March 2017) sales data. This achievement is based on the company's epicenter of strengths, which includes:-

STATE-OF-THE-ART MANUFACTURING FACILITIES

Panacea Biotec has state-of-the-art cGMP compliant integrated facility for manufacturing bulk vaccines, antigens & biopharmaceuticals at Lalru in Punjab and for manufacturing vaccines and pharmaceutical formulations at Baddi, Himachal Pradesh. The manufacturing facilities are approved by Indian National Regulatory Authority (Indian-NRA), USFDA, WHO and many other international regulatory authorities of the world. The Company's manufacturing expertise lies in various solid, semi-solid & liquid oral dosage forms and vaccines

STRONG BRAND PORTFOLIO

Panacea Biotec's focuses on niche therapeutic segments including organ transplantation, nephrology, oncology and diabetes management and strong presence in pain & fever, gastroenterology, orthopedics therapies and vaccines in the Indian pharmaceutical market.

The Company's leading brands command significant market share in their respective therapeutic segments. As per the AIOCD AWACS (MAT March 2017) sales data, the Company's top selling brands viz. **Glizid** (including its extensions), **PanGraf**, **Mycept, Cilamin** and **Panimun Bioral** are ranked number 1 in their respective therapy areas and **PacliALL, Sitcom, ThankOD, Livoluk** and **Nimulid** are also amongst the top 5 brands in their respective therapeutic areas. With 160th rank, **Glizid** (including its extensions) features among the top 200 brands in India, as per the AIOCD AWACS (MAT March 2017) sales data.

GROWING COLLABORATIONS & ALLIANCES

Panacea Biotec has played a pivotal role in global polio eradication in collaboration with WHO, UNICEF & PAHO by supplying more than 10 billion doses of oral polio vaccine. The Company also has a rich history of successful collaborations, ventures and business relationships with various bodies including several national/ international research institutes, academic universities and commercial corporations, which is a key competitive strength for the Company. The Company is also developing several other critical products including the sabin IPV & dengue vaccine and several difficult to develop generics etc. under such collaborations.

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Think Medicine
Think India

ESTABLISHED R&D CAPABILITIES

Panacea Biotec is amongst leaders in the fast growing research based health management companies. The Company has four distinguished state-of-the-art multi-disciplinary research & development centers that specialise in the fields of new Vaccine Development, Biopharmaceuticals, Proteins, Peptides, Monoclonal Antibodies, Novel Drug Delivery Systems, Advanced Drug Delivery System and Drug Discovery (small molecules) complying with international regulatory standards where around 90 scientists work with enthusiasm, dedication and full devotion towards the company's objective of taking ideas from grey cell to the market in a proactive manner. All our four R&D centers have been accorded registration by Department of Scientific and Industrial Research, Ministry of Science & Technology, New Delhi.

HIGHLY SKILLED & MOTIVATED TEAM

At Panacea Biotec employees are the core strength of its continual progress and endeavor to excel at its best in every segment and thus extending all possible support to its employees to make them achieve their goal in order to achieve the Organizational goal while keeping an eye on our set Vision & Mission.

Organization has a total manpower of around 2500 employees out of which 410 are skilled employees including Corporate & Managerial staff, Sales staff and staff located at our Manufacturing facilities. There are around 90 scientists engaged in R&D Centres, around 543 employees engaged in Production, Quality Control & Quality Assurance and around 1146 employees engaged in Logistics, Sales & Marketing.

QUALITY ASSURANCE

Quality is the way of life at Panacea Biotec. Its state-of-the-art manufacturing facilities for vaccines and pharmaceutical formulations comply with various key international regulatory standards like WHO cGMP, USFDA, BfArM Germany etc. to name a few. Committed to Total Quality Management, quality is in-built in products & services and it is integrated in each step of R&D, production, packaging, storage, marketing, sales & distribution at the Company. This has led the Company to achieve prestigious WHO pre-qualification for its pentavalent vaccine Easyfive-TT, USFDA approval for its oral solid dosage facility & oncology facility and several other major milestones in its journey towards excellence.

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Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Vaccine Market

Vaccines have created an incredible impact on global health system resulting in significant reduction of mortality and morbidity caused by numerous diseases. Vaccines have led to some of the greatest public health achievements ever, including the eradication of naturally occurring smallpox from the globe and the near eradication of polio.

The Global Vaccine Market has been one of the fastest growing segments of the global healthcare industry. It was estimated at US$ 32 billion in 2016 and is expected to grow to US$ 52 billion by 2022 growing at a CAGR of 8.3%.

The high growth in vaccine industry has been driven by several factors including inclusion of several pediatric vaccines in the national immunization schedule of various countries, growing public awareness, funding and other support from both government and non-government agencies and increasing availability of vaccines at affordable prices.

The increasing demands in emerging countries, the changing business landscape, the development of new vaccines and the appearance of new technologies for their administration are transforming the world of vaccines. At present, North America, with about 49% market share, is the largest vaccine market followed by Europe, with 31% share. However, the future demand and significant revenues for vaccines is expected to come from India, China and other emerging countries with a sizeable birth cohort. As per WHO, the demand side of the vaccine market is mainly driven by governments of industrialized and developing countries, pooled procurement agencies, the private sector, and the various regulatory and advisory bodies overseeing vaccine quality and safety.

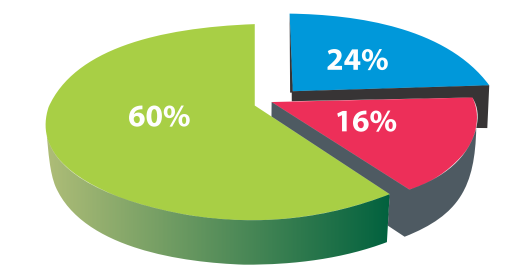
Indian Vaccine Market

India has become the Vaccine epicenter of the developing world. The Indian Vaccine Industry Exemplifies the spirit of the 'Make-in-India' Programme and stands on a strong pedestal of domestic manufacturing success. Besides being a global vaccine manufacturing hub, vaccines is also one of the few sectors where India has historically enjoyed domestic self-sufficiency. The vaccine industry has time and again, broken affordability barriers, addressed technology challenges and has earned India the recognition of having the largest global capacity for WHO pre-qualified vaccines manufacturing.

The vaccines produced by Indian companies are used for the National Immunization and in around 150 countries globally, which makes India a major vaccine supplier, with one in three vaccines across the world being made by Indian companies.

The Indian vaccine industry is estimated to be around US$ 1 billion with the following segments:

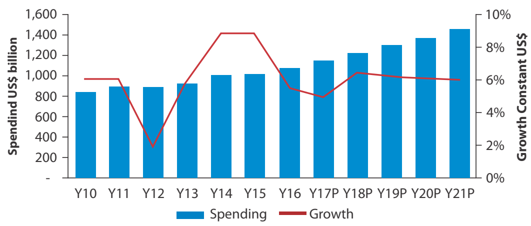
Segmentation of the Indian vaccine industry



Vaccination coverage has received a high level of Indian government attention in recent past. The government initiative, "**Mission Indradhanush**", targets expanding the full vaccination coverage from 65% to 90% of children of the country by 2020. Global Alliance for Vaccines and Immunization (GAVI) has allocated a funding support of upto US$ 500 million for immunization program in India for the period 2017-2020. This coupled with the sustained growth of the Indian economy, a consequent rise in public and private healthcare expenditures and increasing awareness of the benefits of immunization in protection against multiple diseases is expected to propel the Indian market to grow at a CAGR of over 15% in the coming years.

Global Pharmaceutical Market

After remaining stable in the last few years, the Global Pharmaceutical Industry is now witnessing a more uniform and predictable annual growth of around 6%. According to Quintiles IMS Institute, the global medicine spending will reach nearly US$ 1.5 trillion by 2021 on an invoice price basis, growing at a CAGR of 4-7%, up nearly US$ 370 billion from 2016 estimated spending level. The moderate growth in the Global Pharmaceutical Industry over the next five years will be marked by resurging US pharmaceutical market and strong growth from other emerging markets.



Global Market Spending and Growth
Source: Quintiles IMS Institute

Key therapy areas driving spending and growth over the next five years will be led by oncology, reaching US$ 120-135 billion in spending in major developed and emerging markets. Diabetes management will continue to evolve with introduction of better innovative & convenient formulations, with differentiated delivery systems expected in the next five years as well as wider adoption of biosimilar in major developed markets.

The lifestyle related therapies viz. oncology, anti-diabetics and pain management medications have continued to be amongst the top 5 global therapeutic segments in 2016 with US$ 75.3, 66.2 and 67.9 billion, respectively and have achieved a CAGR growth of 11%, 16% and 7%, respectively for the period 2011-16.

Therapy areas	Spending 2016	2011-16 CAGR	Spending 2021	2016-2021 CAGR
Oncology	75.3	10.9%	120 - 135	9 - 12%
Diabetes	66.2	16.4%	95 - 110	8 - 11%
Autoimmune	45.1	18.2%	75 - 90	11 - 14%
Pain	67.9	7.1%	75 - 90	2 - 5%
Cardiovascular	70.5	-2.5%	70 - 80	0 - 3%
Respiratory	54.4	3.4%	60 - 70	2 - 5%
Antibiotics and Vaccines	54.4	2.5%	60 - 70	2 - 5%
Mental Health	36.8	-5.0%	35 - 40	(-1) - 2%
HIV	24.6	11.5%	35 - 40	6 - 9%
Antivirals EX-HIV	33.2	38.1%	35 - 40	0 - 3%
All others	230.2	5.5%	360 - 415	4 - 7%

Outlook of leading therapy areas spending and growth, Constant US$ billion
Source: Quintiles IMS Institute

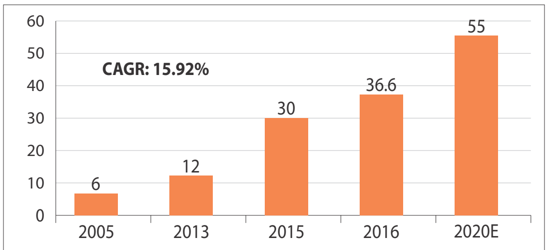
Over the last few years, generic and low-cost branded generic formulations have been gaining in terms of volume as well as market share. The global generic drugs market is expected to grow at a CAGR of 10.53% from 2016 through 2020. In fact, according to market reports, the global generic drugs market will benefit from the patent expiry of drugs worth US$ 150 billion by 2020.

Indian Pharmaceutical Market

Indian Pharmaceutical Industry has achieved a key position in the global pharmaceutical industry. With largest number of USFDA approved facilities outside USA, India continues to play a pivotal role in supply of affordable and quality pharmaceutical products to the world. The Indian Pharmaceutical Market accounts for 2.4% of the global pharmaceutical industry in value terms and 10% in volume terms as per the India Brand Equity Foundation (IBEF). It is the 3^{rd} largest in terms of volume and 13^{th} largest in terms of value. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and 6^{th} largest market globally in absolute size.

Indian manufacturers are among the most important suppliers of generic drugs to USA and several other countries and key contributors to the WHO Prequalification Program (PQP), which ensures the safety and efficacy of medicines by setting standards for generic drugs. Indian manufacturers supply more than 65-70% of medicines in the WHO Prequalified List of Medicinal Products in the segments of HIV-AIDS, Tuberculosis, Malaria, Reproductive Health and other categories.

Indian pharmaceutical industry has evolved significantly in the last ten years. India accounts for 20% of global exports in the generic medicines (largest provider of generic drugs) with US$ 16.89 billion of exports during FY2015-16. The exports are expected to reach US$ 40 billion by 2020. The Indian Pharmaceutical Market is US$ 36.7 billion in 2016 and is expected to grow at a CAGR of 15.92% during 2016-2020 to reach a size of US$ 55 billion. The future growth will be driven by changing lifestyle, increasing consumer spending, faster urbanisation and rising healthcare insurance among others.



Revenue of Indian pharmaceutical sector (US$ billion)
Source: IBEF

PANACEA BIOTEC BUSINESS SEGMENTS

PHARMACEUTICAL FORMULATIONS

Panacea Biotec has continued to maintain its leadership position in niche therapeutic segments including organ transplantation, nephrology, oncology and diabetes management and strong presence in pain & fever, gastroenterology and orthopedics therapies in the Indian pharmaceutical market.

Panacea Biotec is ranked at 11^{th} position in its represented therapeutic segments and is also amongst the top 60 pharmaceutical Companies of India as per the AIOCD AWACS (MAT March 2017) sales data.

The Company's leading brands are well recognized and respected by the medical fraternity and command significant market share in their respective therapeutic segments. As per the AIOCD AWACS (MAT March 2017) sales data, the Company's top selling brands viz. **Glizid** (including its extensions), **PanGraf, Mycept, Cilamin** and **Panimun Bioral** are ranked number 1 and **PacliALL, Sitcom, ThankOD, Livoluk** and **Nimulid** are amongst the top 5 brands in their respective therapeutic areas. With 160^{th} rank, Glizid (including its extensions) features among the top 200 brands in India, as per the AIOCD AWACS (MAT March 2017) sales data.

As per the AIOCD AWACS (MAT March 2017) sales data, the Company's key brands across therapeutic categories and their market ranking in India are as follows:

Brands	Therapy	Rank
Glizid (incl. extensions)	Anti-Diabetic	1
PanGraf	Anti-Neoplastics*	1
Mycept	Anti-Neoplastics*	1
Panimun Bioral	Anti-Neoplastics*	1
PacliALL	Oncology	2
Nimulid	Pain / Analgesics	3
Sitcom	Varicose Therapy#	3
ThankOD	Varicose Therapy#	4
Livoluk	Gastro Intestinal	4

*Immuno-suppressant #Piles management
Note: Rank is calculated within its therapeutic category or the immediate market (wherever applicable).

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The net turnover of pharmaceutical formulations business has grown at a CAGR of around 5.5% to Rs.3,490.3 million in FY2016-17 from Rs.2,398.9 million in FY2009-10.

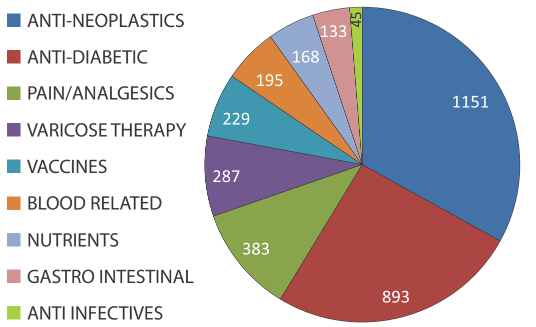
Your Company has increased its footprint in International markets and is currently in the process of launching new products across different countries such as US, Germany, CIS countries, Brazil, Middle-East and other emerging South-East Asian Countries.

Domestic Pharmaceutical Formulations

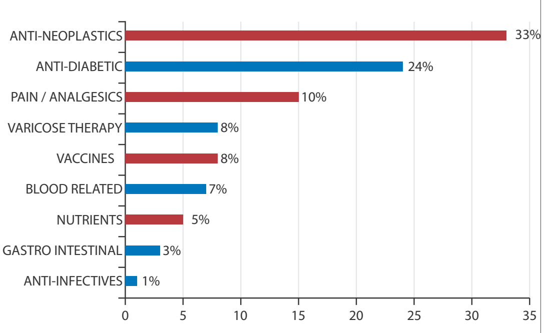
The Company's pharmaceutical formulations business in India is managed by six Strategic Business Units (SBUs) - 3 SBUs for super specialty business viz. Transplantation & Immunology, Nephrology and OncoTrust and 3 SBUs for acute & chronic care business viz. Diacar Alpha, Procare and Growcare.

The Company also has a dedicated SBU, Capacity Utilisation & Business Enhancement (CUBE) for managing the out-licensing and contract manufacturing business.

As per AIOCD AWACS (MAT March 2017) sales data, the therapy-wise market share and sales in India is as under:



Therapy-wise sales in Rs. million



Therapy wise market share %

Transplant & Immunology SBU

India has made significant progress in the field of solid organ transplantation. At present around 9,300 transplants are done annually including around 7,300 kidney, 1,950 liver & 15 heart transplants vis-à-vis a requirement of 200,000 kidney, 50,000 liver and 50,000 heart transplants every year.

Transplant & Immunology SBU 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, Mycept group and Panimun Bioral continue to be at number one position in their respective therapeutic category, as per the AIOCD AWACS (MAT March 2017) sales data. PanGraf has maintained its leadership position in Tacrolimus market in India since more than a decade with around 70% market share as per AIOCD AWACS (MAT March 2017) sales data.

The SBU also caters to the critical therapy areas of anti-infective (VagaCyte), adjunct immuno-suppressants (Siropan & EverGraf) and anti-metabolites (Imuza) with an aim to provide complete and holistic management of all aspects of solid organ transplantation.

Nephrology SBU

India is the diabetic capital of the world with around 75 million diabetic population out of which 30% will develop Chronic Kidney Disease (CKD) and presently around 17% of the Indian population has some form of CKD.

The Nephrology SBU with its vision to be the 'Most Reliable Partner in providing end to end solution in CKD Management is catering to the needs of CKD patients right from stage II to 5D at all stages. The SBU is committed to provide quality products in management of renal anemia, CKD-MBD, renal nutrition and hyperkalemia. With the recent launch of novel phosphate binder **FericPan** (Ferric Citrate), the Nephrology SBU now offers all the phosphate binders for better patient compliance.

The SBU aims to be amongst top 6 players by FY2017-18 in a highly competitive market with more than 40 players. It is committed in building up a strong equity amongst 1,500 Nephrologists & Physicians pan India with its dedicated field force through continuous scientific programs & academic initiatives.

OncoTrust SBU

Cancer has become one of the leading causes of morbidity and mortality worldwide. Globally nearly 14 million new cancer cases are detected every year with 8.2 million cancer related deaths. The number of new cases is expected to rise by about 70% over the next 2 decades. The rate is increasing as life expectancy has increased and also lifestyle changes occur in the developing world. Most common types of cancer in males are prostate, lung, colorectal and stomach, and in females are breast, colorectal, lung and cervical cancer.

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 1,800 Oncologist and all major Government and Corporate hospitals.

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Panacea Biotec was the first Indian company to launch **PacliALL** a brand of nab Paclitaxel, for the management of breast cancer. PacliALL, which was awarded with Brand of the Year Award 2011 by Bio-Spectrum, has now become No.1 brand in nab-paclitaxel market and has saved the lives of more than 7000 patients till now, and is one of the most admired brand for the treatment of breast cancer.

Panacea Biotec had, last year, launched India's first indigenously developed brand **CABAPAN** (Cabazitaxel) at one fifth of the Innovator's price, thereby bringing a paradigm shift in the treatment of metastatic Castration Resistant Prostrate Cancer (mCRPC), continuing the legacy of Oncotrust SBU. CABAPAN has become No.1 brand in cabazitaxel market and touched the lives of more than 200 patients.

The Company has also entered into Bone Marrow transplant segment with the launch of **Plerimob** (plerixafor), a brand for stem cell mobilization.

The other major brands of the SBU include **Bemustin** (Bendamustine Hydrochloride), **DoceTrust** (Docetaxel Trihydrate), **GemTrust** (Gemcitabine hydrochloride) and **BorteTrust** (Bortezomib) injections. Going forward there is a strong line-up of products to achieve the vision laid out by OncoTrust SBU.

Diacar Alpha SBU

India is the diabetes capital of the world with almost 75 million diagnosed diabetics. Diabetes today has emerged as one of the most important risk factor for mortality and often affects other vital organs of the body like heart, eyes, kidneys, brain and nerves.

With a dedicated marketing and sales team of more than 350 people, Diacar Alpha focuses on specialties such as endocrinologists, diabetologists, cardiologists and physicians in a fiercely competitive anti-diabetic market. Diacar Alpha SBU has 24% market share as per the AIOCD AWACS (MAT March 2017) sales data.

The flagship brand of Diacar Alpha SBU, **Glizid** (including Glizid-M & other extensions) is the No. 1 brand in its market segment and is ranked at No. 160 amongst the top 200 brands in the Indian Pharma industry. **Glizid-M** was also awarded with the prestigious SILVER BRAND in Chronic Care Therapy by AWACS AIOCD in FY 2015-16.

To help in better management of Glucose Triad in Type 2 Diabetes Mellitus (T2DM), the Company introduced a unique combination of Gliclazide, Metformin and Voglibose under the brand name **Glizid-MV** in previous financial year, which has now become one of the preferred brands in the market.

During the year, the Company launched its indigenously developed anti-diabetic drug, **TENEPAN** (Teneligliptin) for treatment of Type 2 Diabetes Mellitus (T2DM). With this launch, the SBU aims to improve accessibility of this treatment for the benefit of patients at an affordable cost as part of its commitment to Government of India's "MAKE IN INDIA" mission.

Procare SBU

Procare SBU continues to improve its brand equity in the chronic care segment having increasing incidence of chronic disorders such as osteoarthritis and osteoporosis alongside lifestyle disorders like piles, constipation and acid peptic disorders through its focus on consulting physicians, orthopedicians, gastroenterologists and general surgeons.

The chronic diseases management drugs market in India is valued at around Rs.423 billion. The gastro-intestinals is the 3rd largest therapy valued at around Rs.133 billion contributing 11.6% to the Indian Pharmaceutical Market as per AIOCD AWACS (MAT March 2017) sales data and is growing at 10% on MAT basis.

The Procare SBU has established its flagship brands **Sitcom** and **Livoluk** amongst the top 5 brands in their respective therapy areas as per the AIOCD AWACS (MAT March 2017) sales data.

The SBU has other anti-inflammatory and muscle relaxant products including **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).

Growcare SBU

Growcare SBU operates in the large therapy areas of anti-

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infectives, anti-haemorrhoidal and pain & fever management. As per the AIOCD AWACS (MAT March 2017) sales data, anti-infectives is No. 1 therapy in the Indian Pharmaceutical Industry, valued at around Rs.172 billion, growing at 4.2%. The pain/analgesic market in India is estimated at Rs.80 billion, growing at 9.5%.

Growcare SBU's leading brand **ThankOD** is the 4th largest brand in its therapy area as per the AIOCD AWACS (MAT March 2017) sales data. Growcare with its dedicated field force covers general physicians, consulting physicians, paediatricians, general surgeons and dentists.

Growcare SBU is actively involved in increasing public awareness about causes and treatment of haemorrhoids (piles) through various patient education and awareness camps.

CUBE SBU

The Capacity Utilisation & Business Enhancement (CUBE) SBU has started playing an important role in the Company's overall pharmaceutical business. The SBU aims to enhance capacity utilization by out-licensing & supply of the Company's products to other leading Indian & multi-national pharmaceutical companies and contract manufacturing operations for third party products.

CUBE has out-licensed Company's research based products nab Paclitaxel, Bendamustin, Cyclosporine, Mycophenolate and Tacrolimus based formulations to other leading pharmaceutical companies for sale in the domestic market on non-exclusive basis. It is also in discussion for out-licensing some of these products for international markets as well.

The CUBE SBU has expanded the business by entering into collaborations with existing as well as new partners by offering them existing/new products. Currently, the process of product registration is in progress for some more products and the Company expects this business to grow in near future once all the product registrations are received.

International Pharmaceutical Business

The Company exports its pharmaceutical formulations in over 30 countries including USA, Germany, Russian Federation, Turkey, Tanzania, Syria, Serbia, Vietnam, Philippines and Sri Lanka etc. During the year, the Company has continued to consolidate its international pharmaceutical business by reducing its dependence on tender business and increasing its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets.

The Company is now in the process of further expanding its exports business. During the financial year 2016-17, the Company has expanded its existing collaboration with Bionpharma Inc., USA for marketing of the Company's 2nd Abbreviated New Drug Application (ANDA), viz Rizatriptan oral dispersible tablets and has recently launched the same in US markets through such strategic collaboration. In addition, the approval process for other ANDAs filed earlier with the USFDA is in progress. The Company is now working on more than 10 ANDAs which are expected to be filed over the next 2 years. The Company plans to launch these products in US, Europe, etc. through strategic collaborations with leading pharma companies.

The Company is also building a robust pipeline of around 25 products for filing in several other emerging markets which it will be filing in the next 12-15 months and aims to improve the accessibility and affordability of medicines as the Company's contribution to Government of India's "MAKE IN INDIA" mission.

During the year, the Company has also entered into strategic collaborations with two leading Indian pharmaceutical companies for manufacturing and supply of the Company's oncology and nephrology products for selected countries in north-Africa and Asia region.

The Company has also started participating in the tender business for selected products in selected countries with products manufactured from its own manufacturing facility at Baddi. These efforts have already started showing results and the Company has started gaining business during current financial year in existing markets such as Russian Federation, USA, Turkey etc. and also in new markets like Ecuador, Ethiopia, Panama, etc.

VACCINES BUSINESS

Panacea Biotec continues to focus on Vaccines business as a core business segment. The Company has pioneered in development of fully liquid combination vaccines and has launched world's first fully liquid wP based hexavalent vaccine **EasySix**™ (Diphtheria, Wholecell Pertussis, Tetanus, Hepatitis B, Hib and IPV) and tetravalent vaccine **Easyfour-TT**

Dr. Rajesh Jain, JMD, Panacea Biotec with Officials of Company's subsidiary at Germany

Company's officials in discussions with International delegation of Investors and Industry Representatives

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(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 been one of the largest suppliers of vaccines to UNICEF/Govt. of India/PAHO etc. and has played pivotal role in eradication of polio disease from India & many other countries by having supplied over 10 billion doses of OPV in the last over ten years.

During the year under review, your Company has entered into a long term contract with UNICEF for supply of 10 million doses of Easyfive-TT in 2017 and has also received a notification from Pan American Health Organization (PAHO) for supply of around 5.0 million doses of Easyfive-TT through December 2019 with overall value of US$ 20.475 million (around Rs.1,400 million) The Company has also secured tenders worth around Rs.144.3 million for supply of bOPV to Government of India for FY2017-18 and has also participated in GOI and UNICEF tenders for further supply of bOPV.

The Company has started production of bOPV at its vaccine formulation facility at Baddi. The vaccine facilities at Baddi and Lalru were inspected by a team of auditors from WHO in December, 2016 and the Company expects to receive the WHO pre-qualification for bOPV in due course.

As a part of the long-term growth strategy, the Company is now expanding its sales of recently launched hexavalent vaccine EasySix™ in India and is expediting development of other critical vaccines including the pneumococcal vaccine and dengue vaccine which are expected to be launched during FY2019-20.

Panacea Vaccines SBU

Panacea Vaccines SBU has established itself as a leading vaccine player in the Indian Vaccine market. The SBU 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 7,500 pediatricians spread across India with a field force strength of about 120.

With the launch of the world's first fully liquid wP based Hexavalent Vaccine **EasySix™** (DTwP-HepB-Hib-IPV) during the year, the SBU has strengthened its brand portfolio. The other major brands in the SBU's portfolio include **Easyfive-TT** (DTwP-HepB-Hib), **Easyfour-TT** (DTwP-Hib) and **NovoHib** (Haemophilus Influenza Type B) vaccine. With this, Panacea Vaccines has now become the only vaccine SBU which has the wP based fully liquid quadravalent, pentavalent & hexavalent vaccines in India.

During the year, EasySix™ has registered sales of around Rs.200 million upon its launch on March 27, 2017. Easyfive-TT has been the flagship brand of Panacea Vaccines for over a decade and still commands the highest recall amongst all the vaccinators. Easyfive-TT continues to establish its strong foothold in the pentavalent vaccine market and has attained the No. 2 rank with a good market share of 30% in 2016-17 (Source: ORG IMS MAT April 2017).

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 the global cause of providing affordable vaccines to the children across the globe. Your

Dr. Rajesh Jain, Joint MD and other officials of Panacea Biotec at the launch of EasySix™ Vaccine

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Company is a member of Developing Countries Vaccine Manufacturers Network (DCVMN), a public health driven, international alliance of manufacturers, and shares common vision and mission of combating infectious diseases and accelerating access to affordable high quality vaccines.

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 warehouses and 28 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 325 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 tyveksheet 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.

MANUFACTURING FACILITIES

Panacea Biotec has state-of-the-art cGMP compliant integrated facility for manufacturing bulk vaccines, antigens & biopharmaceuticals 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 solid, semi-solid & liquid oral dosage forms and vaccines such as:

- Oral-solids - conventional tablets/capsules, controlled/delayed release/enteric coated tablets and capsules, tablet in tablet, tablet in capsule, multi layered capsules, hard gelatin/soft Gelatin capsules, mouth dissolving/chewable tablets, beads encapsulation, coating (film, sugar & functional), taste masking and fast-dissolving tablets;
- Semi-solids - ointments/creams/gels, transdermal drug delivery system;
- Liquids - suspensions/syrups/solutions;
- Vaccines - recombinant vaccines, combination vaccines, cell culture vaccines and live vaccines; and
- Anti-cancer - 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 is equipped for bi-layer tablets, mini-tablets, complex sustained release coatings and delayed release coatings. The facility has been approved by Indian NRA, USFDA and Health Authority Saarland, Germany, Envisa of Brazil, etc.

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

Vaccines Formulation Facility at Baddi

The Company's state-of-the-art vaccines formulations facility in Baddi, Himachal Pradesh sprawls over in a complex of 23 acres of land. The facility which started its operations in year

Dr. Rajeeva Kumar Mangalum, Site Head, Panacea Biotec & other officials with Shri Anandrao Adsul, Hon'ble M.P. and Chairperson, Parliamentary Standing Committee, and other members of the Committee and Govt. officials during their study tour to Company's Pharmaceutical Formulations Facility at Baddi.

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Prof. N. K. Ganguly and other members of Project Evaluation Committee of Technology Development Board, Ministry of Science & Technology, Govt. of India along with Company officials during their visit to Vaccine Formulations Facility at Baddi, H.P.

Dr. Cyrus Poonawala, CMD, Serum Institute of India Ltd., Dr. Rajesh Jain, JMD, Panacea Biotec with their respective team members during the former's visit to Vaccine Formulations Facility at Baddi, H.P.

2008 is comprised of two blocks. The three-storey production block is spread over approx. 2,800 M^2 construction area at each floor. The warehouse cum cold storage block measures approx. 3x2500 M^2.

The facility has two independent formulation suites and three filling lines for manufacturing of bacterial, viral and recombinant Vaccines including live attenuated vaccines in pre-filled syringe (PFS) and vials. The facility has also large lyophilization capacity for lyophilized vaccines in vials. The total filling capacity of this facility is approx. 600 million doses per annum in PFS, single and multi-dose vial presentations. This facility is approved by Indian NRA and is also pre-qualified by WHO for the pentavalent vaccine Easyfive-TT. The facility is licensed to produce 10 vaccines in different presentations for Indian and export markets.

A new state-of-the-art additional vial filling line has been added for manufacture of live, attenuated vaccines including oral polio, measles, dengue vaccines, etc.

Quality control laboratories of the facility are equipped with array of latest sophisticated analytical equipment for testing of vaccines and input materials to assure quality of the product at each stage of manufacturing. Two new products, EasySix™ fully liquid hexavalent vaccine and bivalent polio vaccine (bOPV) have been licensed during the year.

Vaccine Antigens & Biopharmaceuticals at Lalru, Punjab

The Company has bulk vaccine and antigen manufacturing facilities with dedicated blocks for manufacture of recombinant, bacterial & viral vaccine bulk & antigens. An integrated block for vaccines and biopharmaceuticals is also established which comprises of three independent suites dedicated for manufacture of bacterial vaccines, viral vaccines, recombinant bio-therapeutics (e.g. biosimilar molecules on cell culture in both conventional as well as disposable formats) and egg based viral vaccines.

Recombinant Hepatitis B surface antigen, Haemophilus influenzae type B conjugate bulk (Hib-TT), Diphtheria, Tetanus Toxoids and whole cell Pertussis are manufactured at these facilities. The facilities for the manufacture of Recombinant Hepatitis B surface antigen, Haemophilus

Dr. Rajesh Jain, Joint Managing Director receiving the Prestigious “Clarivate Analytics India Innovation Award 2016” by Thomson Reuters from Mr. Arvind Pacchapur, Regional Head, Thomson Reuters

Panacea Biotec
Innovation in support of life

influenzae type B conjugate bulk (Hib-TT) have been approved by Indian NRA and WHO.

RESEARCH & DEVELOPMENT

Research & Development is one of the core strengths of Panacea Biotec. With its four state-of-the-art R&D centres manned with around 90 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, vaccines, pharmaceutical formulations and biopharmaceuticals. The Company is working on several key projects in vaccines, pharmaceutical formulations and biopharmaceuticals. All the R&D centres are recognized by the Department of Scientific and Industrial Research (DSIR) of the Government of India.

Global Research and Development (GRAND) Centre, Navi Mumbai

GRAND Centre is spread over an area of 3,600 m^2 and has about 23 dedicated scientists and develops products for global markets. The central focus areas are in the fields of Oncology, Organ Transplantation, CNS and hormonal products amongst others. Its capabilities include delivery conceptualization to pharmaco-kinetic (PK) proof of concept in areas of nano-particles, liposomes, micro-particles, gastro retention and oral films.

The R&D Centre has successfully completed development of 5 key projects enabling the Company to file the ANDAs with USFDA. The R&D centre has also developed a portfolio of oncological products 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 (DocetaxelTrihydrate), GemTrust (Gemcitabine hydrochloride), BorteTrust (Bortezomib) and CABAPAN (Cabazitaxel) injections.

Rizatriptan ANDA which is also developed by GRAND R&D centre has recently been approved by USFDA and successfully commercialized in US market. This R&D centre is also working on several other critical projects (including ANDAs and 505 (b) (2) products) for global markets which will be filed in due course.

SAMPANN Drug Delivery R&D Centre, Lalru, Punjab

Sampann R&D centre focuses on 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. The year's successful commercialization includes Aceclofenac Controlled Release tablets and Teneligliptin tablets. Sampann is in advanced stage of development of new products for domestic & ROW markets in the theraputic segments of immuno-suppressant, diabetes and pain management, etc.

Vaccine Research and Development of Sampann Drug Delivery has an excellent portfolio of innovative pediatric vaccines which protect children against dreadful diseases. These include diseases such as Diphtheria, Tetanus, Pertussis, Hepatitis B, Haemophilus influenza type b and Polio. Further to broaden the presence of Panacea Biotec in the market, the Sampann Vaccine R&D is developing the new generation vaccines like pneumococcal conjugate vaccine and dengue vaccine. Other vaccines which are in the pipeline are Sabin Inactivated Polio vaccine (sIPV), Tetanus vaccine, Measles vaccine and fully indigenous pentavalent vaccine (Myfive).

LAKSH Drug Discovery R&D Centre, Mohali

Laksh Centre is spread over 70,000 sq. ft. and employs around 25 scientists. It focusses on development of new chemical entities (NCEs, small molecules), API research and vaccine research.

This R&D centre has successfully delivered 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 efforts are on to develop a formulation for once a week dosing. The other NCE is undergoing phase I directed safety evaluation.

SAMPANN Drug Delivery Research and Development Centre, Lalru

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LAKSH Drug Discovery Research and Development Centre, Mohali


OneStream Research Centre, New Delhi

10 PCT applications and more than 50 patent applications in national phases have been filed from this Centre. Many patents have already been granted in the US (5), Europe (3), Japan (3), India (1) and Russia (1).

This centre is also focused on developing non-infringing API processes for NCEs and generic products for captive consumption. This year two new formulations products have been launched with APIs developed in-house. API centre has developed processes for impurities synthesis and provided these to Sampann R&D centre to support their formulation development activity.

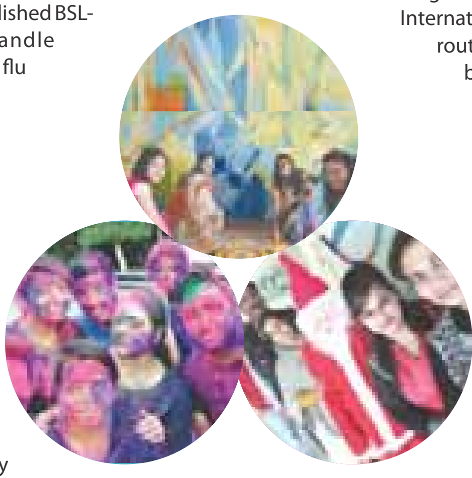
Vaccine R&D activities have also been initiated at this Centre to improve upon yields and optimization of vaccine processes.

OneStream Research Centre, New Delhi

OneStream Research Centre is dedicated to carry out research and development on novel and efficacious vaccines and biologicals against various epidemic/endemic diseases for global market. It focuses on providing cost effective products and process development complying with all regulatory requirements. The centre is spread over 26,000 Sq. ft. area and is dedicated to carry out extensive research in Vaccines and Biologicals using advanced genetic engineering, molecular biology, genomics tools, animal cell culture, fermentation, purification, serological and analytical techniques. The centre has a well-established BSL-3 level containment facility to handle pathogenic viruses like H1N1, Seasonal flu and Varicella.

The Centre is engaged in research & development of new generation vaccines including pneumococcal conjugate vaccine, tetravalent dengue vaccine, typhoid conjugate vaccine, varicella vaccine, etc.

The centre is also working on development of recombinant biosimilar therapeutics such as Darbepoetin used in treatment of anemia in patients with chronic kidney failure or certain types of cancers.


Festival celebrations

Clinical Research

Clinical Research plays an integral role in the drug development process. During the year, clinical trials with respect to world's first patented wP based hexavalent vaccine EasySix™ & Tetravalent vaccine Easyfour-TT have been successfully completed. International publications of world's first patented wP based hexavalent vaccine EasySix™ & tetravalent vaccine Easyfour-TT have been successfully done. In accordance with "Global Switch with respect to Polio", comparative Monovalent OPV1 (or mOPV1)/bOPV/IPV Clinical Trial Protocol was successfully submitted to the Drug Controller General of India (DCGI), in collaboration with WHO.

Novel dengue vaccine phase I/II protocol & pneumococcal conjugate vaccine phase III clinical protocols have been approved by the DCGI. These studies are slated to begin in near future.

In the pharmaceutical domain, bio-equivalence (BE) studies w.r.t TENEPAN (Teneligliptin) has been successfully completed during the year, and BE studies with respect to anti-cancer products PacliALL (albumin bound Paclitaxel) for USFDA filing & Liposomal Doxorubicin are being carried out.

Intellectual Property

The Company has filed more than 1,500 patent applications worldwide including 230 patent applications in India for different formulation products/new drug delivery technologies. The Company has filed around 100 International patent applications through PCT route. About 460 patent applications have been granted / accepted for grant including 2 patents granted in Europe and one each in Russia and Philippines during the year under review. This includes patents on key new chemical entity and the Company's hexavalent vaccine, EasySix™.

The Company has filed more than 752 applications for trademark registration out of which 517 have been registered including 55 applications registered during the year. In addition, the Company has also filed 517 international trademark applications out of which 310 have been granted. The Company had filed 222 applications for registration of copyrights of which 167 had been registered.

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Human Resources

At Panacea Biotec employees are the core strength of its continual progress and endeavor to excel at its best in every segment and thus extending all possible support to its employees to make them achieve their goal in order to achieve the organizational goal while keeping an eye on our Vision & Mission.

The Company has a total manpower of around 2,300 employees out of which 410 are skilled employees including Corporate & Managerial staff, Sales staff and staff located at our Manufacturing facilities. There are around 90 scientists engaged in R&D Centres, around 543 employees engaged in production, quality control & quality assurance and around 1,146 employees engaged in logistics, sales & marketing.

The human resources team continuously thrives to get talented people onboard by their continuous support and has achieved excellence by getting around talent on-board by regular walk-in drives, direct interviews, employee referrals, internal promotions, employment exchange etc., hence leaving no loophole in establishing strong brand image among the youth and global market.

HR team also ensures through in-house training that the new recruits are skilled & empowered to interact with the customers and meet their business targets.

The HR team at Panacea Biotec, aims to become employee centric thus introduced more liberal employee policies and conducted several employee engagement activities across our centers like New year celebration, Fruit carving and Antakshari and also celebrated Festivals like Dussehra, Diwali, Christmas, Baisakhi, Lohri, Holi, etc. leading to more work satisfaction, more efficient working and ethical organizational culture.

Information Technology

The Company has implemented fully integrated SAP ERP System for accounting, production, materials management, HR & payroll etc. The Company has upgraded its sales force automation system during the year. The Company has also automatized leave, purchase requisition and purchase order approval system through e-mails.

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. In order to ensure continuity of data availability in the event of any loss of data, the Company has initiated data backups to cloud system in respect of its key systems and employees. In due course of time, it will be applied for all the employees of the Company. The IT team has undertaken risk assessment and business impact analysis to help ensure a secure computing environment, restructured enterprise systems & web services to create web and mobile technologies to enhance use of changing web and mobile technology. It has also successfully completed an audit with the auditor for SAP & IT infrastructure with no major findings reported.

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 comprising of independent directors 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, 2017	As at March 31, 2016
Equity & Liabilities		
Shareholders' Funds	4,645.2	5,400.3
Non-current liabilities	7,232.4	7,934.0
Current liabilities	5,882.8	4,740.0
Total Liabilities	17,760.4	18,074.3
Assets		
Fixed assets	9,644.5	10,065.9
Non-current investments	3,448.8	3,946.6
Long-term loans and advances	576.6	645.2
Other non-current assets	1.5	5.5
Current assets	4,089.0	3,411.1
Total Assets	17,760.4	18,074.3

Shareholders' Funds: The Company's Shareholder's funds were Rs.4,645.2 million as at March 31, 2017 as compared to Rs.5,400.3 million as at March 31, 2016.

Non-Current Liabilities: Non-current liabilities include long-term borrowings (excluding current maturities), liabilities and long-term provisions. The Non-current liabilities as at March 31, 2017 have decreased to Rs.7,232.4 million as against Rs.7,934.0 million as at March 31, 2016, mainly on account of repayment of long term borrowings as per terms of repayment.

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Current Liabilities: Current liabilities include short-term borrowings, trade payables, short-term provisions and other current liabilities (including current maturities of long term borrowings). The current liabilities as at March 31, 2017 have increased to Rs.5,882.8 million as compared to Rs.4,740.0 million as at the end of the previous year, mainly due to increase in trade payables and the current maturities of long-term borrowings on account of Foreign Currency Term Loan (ECB).

Fixed Assets: The net fixed assets have marginally decreased to Rs.9,644.5 million as against Rs.10,065.9 million as at the end of the previous year mainly due to depreciation charged during the year.

Investments: Non-current investments have decreased to Rs.3,448.8 million as against Rs.3,946.6 million as at the end of previous year, mainly due to reclassification of long-term investment in its subsidiary company, NewRise Healthcare Pvt. Ltd. into current investment (forming part of Current Assets) in view of subsequent sale thereof in April 2017.

Long-term Loans and Advances: The long-term loans & advances have decreased to Rs.576.6 million from Rs.645.2 million as at the end of the previous year.

Current Assets: Current Assets include current investments, trade receivables, inventories, cash & cash equivalents, short-term loans & advances and other current assets. Total current assets have increased to Rs.4,089.0 million as at the end of fiscal 2017 as compared to Rs.3,411.1 million as at the end of previous year mainly due to re-classification of investment in subsidiary from non-current to current investment, increase in the trade receivables on account of higher sales in the last quarter of the current fiscal and increase in advances to suppliers.

Summarized Statement of Profit & Loss

(Rs. in million)

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Net Revenue from operations	5,300.9	6,469.0
Other Income	523.3	255.6
Total Income	**5,824.2**	**6,724.6**
Materials & Finished Goods Purchases	1,688.4	2,143.5
Employee benefits expense	1,333.8	1,398.0
Other expenses	1,592.9	1,802.4
Earnings before Interest, Depreciation, Taxes & Amortization (EBITDA)	1,209.1	1,380.7
Finance Costs	1,014.4	1,150.0
Depreciation and amortization expense	657.1	713.2
Profit/ (Loss) before tax and exceptional items	(462.4)	(482.5)
Exceptional items	(375.4)	496.5
Profit/ (Loss) Before Tax (PBT)	(837.8)	14.0
Provision for Taxes (including deferred tax)	24.7	5.3
Profit/(Loss) After Tax (PAT)	(862.5)	8.7
Basic EPS (Rs.)*	(14.1)	0.1
Cash EPS (Rs.)*	(2.9)	11.8

*Per Equity Share of Re.1

Net Revenue from Operations: During the year, the Company's net revenue from operations were Rs.5,300.9 million as compared to Rs.6,469.0 million during previous financial year. The net revenues from operations have mainly decreased due to lower sale of pentavalent vaccine Easyfive-TT to UNICEF/PAHO, non-availability of IPV bulk leading to no sales of IPV vaccine, reduction in prices of products due to price control by NPPA, banning of irrational FDCs by DCGI and expiry of excise duty holiday period at Baddi facilities.

Expenditures

Materials & Finished Goods purchases: The raw & packing materials and finished goods purchases during the year were Rs.1,688.4 million as against Rs.2,143.5 million during the previous financial year.

Employee benefits expenses: The employee benefits expenses have decreased to Rs.1,333.8 million during FY2016-17 from Rs.1,398.0 million during FY2015-16 mainly due to provision for recovery of excess managerial remuneration.

Other Expenses: The other expenses have decreased to Rs.1,592.9 million during FY2016-17 from Rs.1,802.4 million during previous financial year mainly on account of cost control initiatives taken by the Company to improve its operational efficiency.

Finance costs: Finance costs comprising of interest and bank charges have reduced to Rs.1,014.4 million during FY2016-17 as against Rs.1,150.0 million during FY2015-16, mainly due to reduction in debts following repayment of debts by the Company.

Depreciation and amortization expenses: Depreciation for the year was Rs.657.1 million as compared to Rs.713.2 million during previous financial year.

Profitability

Earnings before Interest, Tax, Depreciation & Amortization (EBITDA): The Company registered an EBITDA of Rs.1,209.1 million during Financial Year 2016-17 as compared to Rs.1,380.7 million during FY2015-16.

Profit/(Loss) Before tax and exceptional items: The Company's loss before tax and exceptional items has reduced marginally to Rs.462.4 million as against Rs.482.5 million during FY2015-16 on account of reduced finance costs, lower depreciation and other reasons as explained above.

Profit/(Loss) Before Tax (PBT): The Company has incurred loss before tax of Rs.837.8 million (after considering exceptional items of Rs.375.4 million) as against profit before tax of Rs.14.0 million (after considering exceptional income of Rs.496.5 million) for fiscal 2016. During the year, the exceptional items include provisioning of Rs.450.8 million towards impairment of investments in NewRise Healthcare Pvt. Ltd. on account of sale thereof in April 2017.

Profit/(Loss) After Tax (PAT): The loss after tax and exceptional items was Rs.862.5 million as against profit after tax of Rs.8.7 million during fiscal 2016.

Earnings per Share (EPS): The basic and diluted EPS stood negative at Rs.14.1 per share for fiscal 2017 as compared to positive EPS of Rs.0.1 per share for fiscal 2016.

Cash Flow Statement

(Rs. in million)

Cash Flows from:	Fiscal 2017	Fiscal 2016
Operating Activities	1,158.6	978.5
Investing Activities	(321.8)	227.4
Financing Activities	(872.0)	(1,286.9)
Net Cash Flows	(35.2)	(81.0)

Cash Flow from Operating Activities: The net cash inflows from operating activities during financial year 2016-17 were Rs.1,158.6 million as compared to Rs.978.5 million during financial year 2015-16. The net cash inflows from operating activities have improved due to positive movement in working capital.

Cash Flow from Investing Activities: During the year, the net cash used in investing activities were Rs.321.8 million as against Rs.227.4 million during previous financial year. The Company has invested funds in the product development activities and other normal capital expenditure required for business operations.

Cash Flow from Financing Activities: Net cash outflows from financing activities were Rs.872.0 million as against Rs.1,286.9 million during previous financial year. The Company has paid interest and debts as per the agreed terms and repayments schedule.

Consolidated Financial Performance

The consolidated net revenues from operations of the Group has decreased to Rs.5,448.0 million during FY2016-17 as compared to Rs.6,530.8 million during previous financial year. The consolidated EBITDA was Rs.1,151.3 million during FY2016-17 as compared to Rs.1,320.7 million during FY2015-16.

On consolidated basis, the Group has incurred loss before tax of Rs.567.2 million during the year under review as against loss before tax of Rs.189.3 million during previous financial year. The consolidated loss after tax was Rs.644.6 million during FY2016-17 as against loss after tax of Rs.182.9 million during FY2015-16.

Opportunities and Outlook

India has positioned itself as an important player in the global pharmaceuticals industry. The country also has a large number of manufacturing facilities approved by USFDA and other international regulatory agencies, a large pool of scientists, engineers and skilled workforce who have the potential to steer the pharma industry ahead to an even higher level. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size. India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others. Increase in the size of the middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

The growth story of the domestic formulations market is expected to remain strong, led by a rise in lifestyle related diseases, better healthcare diagnostic infrastructure adding to increasing disease detection rate, new product introductions, volume growth driven by increasing penetration, and better access to healthcare.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise, on which your Company is continuously working and developing & launching new drugs in the market.

The global vaccine market has been one of the fastest growing segments of the global healthcare industry. The high growth in vaccine industry has been driven by several factors including inclusion of several pediatric vaccines in the national immunization schedule of various countries, growing public awareness, funding and other support from

Dr. Rajesh Jain, JMD Panacea Biotec with representatives of Company's lenders and CDR Cell during a Joint Lenders' Forum meeting at its corporate office at New Delhi

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both government and non-government agencies and increasing availability of vaccines at affordable prices.

Going forward, the domestic market for vaccines in India offers a huge opportunity with its birth cohort of around 27 million children every year. India is now self-sufficient in meeting its requirement for basic vaccines such as Hepatitis-B, DPT, Hib, Measles, and Polio etc. and now it exports over 60% of the vaccines produced every year.

Major factors driving growth of the Indian vaccine market include globally accepted and recognized national regulatory authority, skilled manpower, ease of access by patients, awareness on healthy lifestyle, growing population and new technological advancement in the field of immunology/vaccinology. Other factors include high prevalence of diseases, rising government and non-government funding for vaccine development, increasing investments by companies, and increasing focus on immunization.

SWOT Analysis

Strengths

- India has implemented laws relating to protection of intellectual property rights which are supported by well-developed judicial system. It helps multinational companies to launch their innovative products in India.
- Manufacturing Infrastructure: The country has largest number of USFDA approved facilities outside USA and has well developed infrastructure for R&D and manufacturing with proven track record in advanced chemistry capabilities, design of high tech manufacturing facilities and regulatory compliance.
- Strong Talent pool: India has large pool of skilled scientists/technicians/management personnel at reasonable costs leading to lower costs of innovation/manufac turing/capex costs/expenditure to run cGMP compliant facilities and high quality documentation and process understanding.
- The Country has healthy domestic pharmaceutical market with rising per capita expenditure and increasing insurance coverage. The country also has a strong marketing & distribution network.

Weakness

- Stringent price control regulations affecting the profitability of pharma companies.
- Low investments in innovative R&D: Majority of companies lack the ability and resources to compete with MNCs for New Drug Discovery, Research and commercialization of molecules on a worldwide basis.
- Increasing incidences of regulatory non-compliances by Indian companies impact investment in the industry.
- Shortage of healthcare facilities and medicines: 70% of the Indian population still resides in rural areas where medical facilities and medicines are still not available at large.
- Regulatory data protection: India is still perceived to be lacking a strong system for protecting the regulatory data developed by innovator companies due to which several innovative products have still not been launched in Indian markets.

Opportunities

- Billions of dollars of drugs are expected to go off patent soon in USA and Europe. This translates to a significant opportunity for Indian industry.
- Untapped Market Potential: Almost 70% of India's population resides in the rural areas and this population accounts for 40% of the total pharma consumption. A rise in life expectancy generally, and increase in the population of the old, particularly in the developed world is causing higher expenditure from respective national health budgets compelling them to move to affordable drugs which are India's forte.
- Licensing collaborations with MNCs for in-licensing/out-licensing of NCEs (New Chemical Entities) and NDDS (New Drug Delivery Systems) offer new opportunities for Indian manufacturers.
- India is one of the few economies which are consistently growing despite the global slowdown.
- India has the potential to become a niche player in global pharmaceutical R&D and play significant role in the expansion of biotechnology generics (also known as bio-similars) and biopharmaceuticals.

Threats, Risks and Concerns

Risks, challenges and threats are inherent in any type of industry and needs to be mitigated through well planned strategies. The major risks/concerns associated to the industry as a whole are as under:

- Drug Price Control Order puts unrealistic ceilings on product prices and profitability thereby discouraging the industry from investing in |innovative products.
- Delays in new product registration and other approvals by various government bodies.
- Risk of regulatory actions due to deficiencies in compliance of ever increasing requirements.
- Rising competition from China and other Asian markets offering low cost manufacturing.
- Increasing pressure from regulatory authorities towards ensuring compliance has resulted in many companies being suspended from production even due to quality related issues.

Recent Developments and Future Growth Drivers

During the year, the Company has launched world's first fully liquid whole cell pertussis (wP) based Hexavalent Combination vaccine, EasySix™ for protecting children against six common preventable diseases, viz. Diphtheria, Tetanus, Whooping Cough, Hepatitis B, Hib-meningitis & Polio. The Company also launched world's first fully liquid Tetravalent vaccine Easyfour-TT for active primary immunization and booster dose against Diphtheria, Tetanus, Pertussis (DTP) and Haemophilus Influenza Type B (Hib).

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During the year, your Company has entered into long term agreement (LTA) with UNICEF for supply of pentavalent vaccine Easyfive-TT in calendar year 2017 and also received notification from PAHO for purchase of pentavalent vaccine Easyfive-TT in the event PAHO should have any requirements through December 31, 2019. Total value of this expected business from UN agencies is worth US$ 20.475 million. Your Company has also secured a tender of Rs.144.3 million from Government of India (GOI) for supply of bOPV for the year 2017-18 and has participated in GOI and UNICEF tenders for further supply of bOPV.

During the year, your Company has received USFDA approval for the following:

- Company's Oncology Parenteral and Oral Solids Dosage formulation facilities at Baddi, Himachal Pradesh. With this, the Company can now export its oncology products to USA, after receiving product approval from USFDA;
- Company's ANDA to market a generic version of Rizatriptan Benzoate Tablet, orally disintegrating, 5 mg and 10 mg. The current annual sale for Rizatriptan Benzoate Tablet, orally disintegrating, 5 mg and 10 mg in the US market is estimated to be around US$ 60 million. The Company has launched the product in current financial year.

During the year, your Company has also introduced indigenously developed high quality anti-diabetic drug, TENEPAN (Teneligliptin), for treatment of Type 2 Diabetes Mellitus (T2DM).

The Company is now working on scaling up the revenues and converting the losses into profits in the coming years. In order to achieve this mission, the Company has identified future growth drivers including:

- Scaling up revenues in vaccine segment by participating in emerging market tenders;
- Continue to focus on cost reduction in various areas of operations, sales and marketing, R&D etc.;
- Launch of the pneumococcal vaccine, which is currently under development, is expected by year 2020;
- Launch of the Dengue Vaccine which is currently under development, in next 2 years;
- Launch of several pharmaceutical products in India and ROW markets; and
- Commercializing the existing filed ANDAs in US and other markets in the next 1-3 years and continue to build the ANDA pipeline for long term future growth.

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 outside consultant for independent evaluation of EOHS activities.

It is said “Health is wealth”. Taking the same forward medical check camps were organized at various locations.

Corporate Social Responsibility

Panacea Biotec recognizes corporate social responsibility as one of its core values by putting continuous effort to assess and take responsibility for the company's effects on the environment and impact on social welfare. The Company emphasizes on the overall social development and continues to maintain and take further efforts to protect the surrounding environment.

In view of temporary shortage of a life-saving drug viz. D-Penicilamine (Cilamin 250) for Wilson's disease, due to sudden disruption of the supplies of raw materials, the Company took several initiatives including home delivery of product to needy patients across India, launch of a website www.cilamin.com for emergency supplies to patients and providing access to latest information on its availability and use of social media network like WhatsApp, Twitter, etc. for sharing information on real-time basis.

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.

The Company regularly takes initiatives towards fulfilling its corporate social responsibility including patients awareness/ assistance programs for prevention, detection and management of critical diseases like cancer, renal diseases and diabetes. The Company has also launched and is maintaining website www.ckdmbd.org as an online educational initiative to elucidate information extending from biochemical bone and vascular derangements associated with CKD-MBD.

In addition to its efforts in providing affordable and quality medicine to patients across the country, the Company also organized awareness program “Do It Today” on organ donation on the occasion of 'Organ Donation Day' i.e. 13th August, in which many employees of Panacea Biotec pledged to donate their organs and supported this noble cause whole heartedly.

The Company also organized 'No Tobacco Campaign' on 31st May across India, whereby awareness was created amongst the masses towards the ill effects of tobacco via posters, education pamphlets, etc.

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 are pleased to present the 33rd 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, 2017.

Financial Results

The highlights of financial results for the financial year 2016-17 are as under:

(Rs. in million)

Particulars	Standalone	
	2016-17	2015-16#
Revenue from operations (net)	5,300.9	6,469.0
Other Income	523.3	255.6
Total Income	5,824.2	6,724.6
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	1,209.1	1,380.7
Profit/ (Loss) before tax and exceptional items	(462.4)	(482.5)
Exceptional items	(375.4)	496.5
Profit/(Loss) before Tax (PBT)	(837.8)	14.0
Profit/(Loss) after Tax (PAT)	(862.5)	8.7

 # Previous year's figures have been re-grouped/re-classified wherever necessary

Performance Highlights

During the year ended March 31, 2017, your Company has registered net revenue from operations of Rs.5,300.9 million as against Rs.6,469.0 million during the previous financial year. The net revenues from operations have mainly decreased due to lower sale of pentavalent vaccine Easyfive-TT to UNICEF/ PAHO, non-availability of IPV bulk leading to no sales of IPV vaccine, reduction in prices of products due to price control by NPPA, banning of the irrational FDCs by DCGI and expiry of excise duty holiday period at Baddi facilities.

The pharmaceutical formulations segment registered a turnover of Rs.3,575.5 million as against Rs.3,806.5 million during the previous financial year. The vaccines segment registered a revenue of Rs.1,634.2 million as against Rs.2,531.8 million during the previous financial year. The Research & Development segment earned revenue of Rs.91.2 million as against Rs.130.7 million during the previous financial year. The Company's total export revenue was Rs.2,000.3 million (including R&D income of Rs.83.8 million) as compared to Rs.2,695.0 million (including R&D income of Rs.127.6 million) in the previous financial year.

The Company's loss before tax and exceptional items has reduced to Rs.462.4 million as against Rs.482.5 million in the previous financial year. During the year, the Company has created impairment provision of Rs.450.9 million, which is included in the Exceptional Items, in respect of investment in NewRise Healthcare Private Limited on the basis of the net realized value upon sale thereof in April 2017.

In March, 2017, your Company has launched **world's first fully liquid whole cell pertussis (wP) based Hexavalent Combination vaccine, EasySix™** for protecting children against six common preventable diseases, viz. Diphtheria, Tetanus, Whooping Cough, Hepatitis B, Hib-meningitis & Polio. Earlier in December 2016, the Company launched **world's first fully liquid tetravalent vaccine, Easyfour-TT** for active primary immunization and booster dose against Diphtheria, Tetanus, Pertussis (DTwP) and Haemophilus Influenza Type B (Hib).

During the year, your Company has entered into long term agreement (LTA) with UNICEF for supply of pentavalent vaccine Easyfive-TT during calendar year 2017 and also received notification from PAHO for purchase of pentavalent vaccine Easyfive-TT in the event PAHO should have any requirements through December 31, 2019. Total value of this expected business from UN agencies is worth US$ 20.475 million.

During the year, your Company has also received USFDA approval for the Company's Oncology Parenteral and Oral Solids Dosage formulation facilities at Baddi, Himachal Pradesh. With this, the Company can now export its oncology products to USA, after receiving product approval from USFDA. The Company has also received USFDA approval for its ANDA to market a generic version of Rizatriptan Benzoate Tablet, orally disintegrating, 5 mg and 10 mg. The Company plans to launch the product in current financial year. The current annual sale for Rizatriptan Benzoate Tablet, orally disintegrating, 5 mg and 10 mg in the US market is estimated to be around US$ 60 million.

During the year, your Company has introduced indigenously developed high quality antidiabetic drug, TENEPAN (Teneligliptin), for treatment of Type 2 Diabetes Mellitus (T2DM). This will add to the Company's existing anti-diabetic portfolio. The Company's flagship brand Glizid-M was awarded with the prestigious SILVER BRAND in Chronic Care Therapy by AWACS AIOCD in FY 2015-16. It is also ranked at 160th position amongst the top 200 brands in the Indian Pharma Industry.

The Company has been selected amongst top fifty Innovators for the second consecutive year and received the Prestigious 'Clarivate Analytics India Innovation Award 2016' from Thomson Reuters. Clarivate Analytics India Innovation Awards honors the most innovative academic institutions and commercial enterprises headquartered in India for their spirit of innovation in R&D as it relates to Indian Patent Publications.

A detailed discussion on operations for the year ended March 31, 2017 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 upgraded credit rating with respect to the Company's Bank Facilities and the same has improved from CARE B- (Single B Minus) to CARE B+ (Single B Plus) for Long Term Bank Facilities and for Short Term Bank Facilities, the rating has been reaffirmed as CARE A4 (A Four). Earlier, in March 2016, the Credit rating for Long Term Bank Facilities was improved from CARE D (Single D) to CARE B- (Single B-) and for Short Term Bank Facilities the same was improved from CARE D (Single D) to CARE A4 (A Four).

Dividend

In view of losses during the year, the Board of Directors has not recommended any dividend on the Equity as well as Preference Shares of the Company.

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Directors' Report

Share Capital and Net Worth

The issued, subscribed and paid up Share Capital of the Company as on March 31, 2017, remains unchanged at Rs.224.3 million comprising of Rs.61.3 million equity share capital divided into 61,250,746 Equity Shares of Re.1 each and Rs.163.0 million preference share capital divided into 1,63,00,000, 0.5% Cumulative Non-Convertible Non-Participating Redeemable Preference Shares 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.

As at the end of the year under review, the net worth of the Company calculated as per section 2(57) of the Companies Act, 2013 ("the Act") has decreased to Rs.644.58 million from Rs.1,507.1 million as at the end of the previous financial year in view of losses during the year.

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.

Further, during the financial year 2014-15, Serum Institute of India Pvt. Ltd. (along with its 3 associates), collectively holding around 4.12% of total issued share capital of the Company, had filed a petition u/s 397 and 398 of the Companies Act, 1956 before the Hon'ble Company Law Board, New Delhi, which was dismissed by Hon'ble Company Law Board vide its order dated January 21, 2016. The petitioners have filed an appeal before Hon'ble Punjab and Haryana High Court, Chandigarh and the same is pending adjudication.

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing 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 Listing Regulations, is presented in a separate section and forms an integral part of this Report.

Information about the Subsidiaries/Associates/Joint Ventures

A. Subsidiaries

Your Company has 3 wholly owned subsidiary ("WOS") companies, viz. Radhika Heights Limited ("RHL"), Panacea Biotec (International) S.A., Switzerland ("PBS") and Rees Investments Limited, Islands of Guernsey ("Rees") and one subsidiary, viz. NewRise Healthcare Private Limited ("NewRise"). Your Company also has 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.

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.3,385.6 million as on March 31, 2017.

PBS is engaged in the business of trading of pharmaceutical products. The Company holds 6,000 equity shares of CHF 100 each with an investment of Rs.34.4 million as on March 31, 2017. 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. It had earlier established its WOS, Kelisia Holdings Ltd. ("KHL") at Cyprus. Since no further activity was envisaged in KHL, it has been liquidated during the year w.e.f. January 4, 2017.

NewRise has set-up a 224 bedded state-of-the-art multi super-specialty hospital at Gurugram, Haryana. The hospital project could not be completed and commercialised due to non-availability of capital investment and was on hold. Your Company was holding 88.8% stake in NewRise with an investment of Rs.507.6 million therein, as on March 31, 2017. In April 2017, the Company acquired the remaining equity shares from the minority shareholders therein and subsequently sold the entire 100% equity stake to Narayana Hrudayalaya Ltd. for an enterprise value of Rs.1,800.0 million.

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The Company has considered the net consideration realised in relation to the said transaction as recoverable amount of investment as at March 31, 2017 and consequently recorded an impairment provision of Rs.450.9 million which has been included in the Exceptional Items.

B. Joint Ventures and Associates

PanEra Biotec Private Limited ("PanEra"): PanEra, the Company's associate company, is continuing to meet requirement of bulk antigens for the manufacture of Hib and pentavalent vaccine by your Company. During the year under review, PanEra has achieved a net turnover of Rs.302.1 million as against Rs.465.7 million in previous financial year. As a result, PanEra has incurred a net loss of Rs.121.1 million as compared to a net profit of Rs.4.5 million in previous financial year. During the 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 is envisaged in this regard during the current financial year.

With a view to streamline and consolidate the Company's business operations, avoid multiple taxes, avoid duplicity of efforts, reduce administrative costs etc., your Company has in-principally decided to consolidate the entire vaccine manufacturing activities including the activity of manufacturing of bulk vaccines and antigens of PanEra in the Company.

Chiron Panacea Vaccines Private Limited (Under Liquidation) ("CPV"): The voluntary winding up process of CPV is currently in progress.

Adveta Power Private Limited ("Adveta"): 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 is in the process of taking preliminary steps in connection with the implementation of projects. However, no major investment is envisaged in this regard during the current financial year.

A separate statement containing the salient features of financial statements of subsidiaries, joint ventures and associates, in 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: http://panacea-biotec.com/partnerzone/PolicyfordeterminingmaterialSubsidiary.pdf

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 and Regulation 33 of SEBI Listing Regulations and in accordance with Accounting Standard AS-21 on 'Consolidated Financial Statements' read with Accounting Standard AS-27 on 'Financial Reporting of Interest in Joint Ventures' and Accounting Standard AS-23 on 'Accounting for Investments in Associates', as issued by the Institute of Chartered Accountants of India and in accordance with the provisions of Schedule III to the Act, are attached herewith and the same together with Auditors' Report thereon, forms part of the Annual Report.

Listing of Equity Shares

The Equity Shares of the Company continue to be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). The requisite annual listing fees for the financial year 2017-18 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 Section 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.

Directors and Key Managerial Personnel

Effective from April 01, 2016, Mr. Ankesh Jain (DIN: 03556647) has been appointed as Whole-time Director designated as Director Sales & Marketing and Mr. Mukul Gupta (DIN: 00254597) has been appointed as Non-Executive Independent Director of the Company.

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

Further, in accordance with Section 152 of the Act and Article 112 of the Articles of Association of the Company, Mr. Sandeep Jain (DIN: 00012973) 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.

The brief resume of the Directors seeking re-appointment along with other details as stipulated under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards issued by ICSI, are provided in the Notice convening the AGM of the Company.

The Board recommends re-appointment of the above said directors in the ensuing AGM.

There was no other change in the non-executive directors and other Key Managerial Personnel (KMP) during the year under review.

Board Meetings

During the year under review, four (4) Board Meetings were held on May 27, 2016, August 12, 2016, November 11, 2016 and February 14, 2017. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act.

Audit Committee

The Audit Committee of the Board of Directors consists entirely of Independent Directors. The details of the composition and number of meetings of the Audit Committee are furnished in the Corporate Governance Report. During the year, all

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Directors' Report

recommendations made by the Audit Committee were accepted by the Board.

Policy on Directors' appointment & remuneration

Pursuant to the provisions of Section 178(3) of the Act and Regulation 19(4) of SEBI Listing Regulations and as per the recommendations of the Nomination and Remuneration Committee, 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.

Board Evaluation

In terms of the provisions of the Act and Regulation 19(4) of SEBI Listing 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.

Energy Conservation, Technology Absorption & Foreign Exchange

As required under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, 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

An extract of Annual Return in Form MGT-9 as on financial year ended on March 31, 2017 is attached as **Annexure B** hereto and forms part of this Report.

Related Party Transactions

As per the provisions of the Act and SEBI Listing Regulations, your Company has formulated a policy on Related Party Transactions which is also available on Company's website at: http://www.panacea-biotec.com/partnerzone/policyonrelatedpartytransactions.pdf. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and 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 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 Companies (Accounts) Rules, 2014 are given in the prescribed Form AOC-2 attached as **Annexure C** 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 are provided in **Annexure D** 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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** and the same forms part of this Report.

Statutory Auditors

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 years to hold office from the conclusion of the 30th AGM of the Company held on September 25, 2014 till the conclusion of the 35th AGM, subject to ratification of their appointment by shareholders at every AGM.

The Company has received a certificate from the auditors to the effect that if the appointment is ratified, it would be in accordance with the provisions of Section 141 of the Act.

Accordingly, based on the recommendations of the Audit Committee, the Board of Directors of the Company recommends the ratification of appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the next AGM.

Auditors' Report

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 matters of emphasis 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.

Cost Auditors

Pursuant to the provisions of Section 148 of the Act, M/s. G.T.

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& 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 year ended March 31, 2017 and the remuneration has been ratified by the shareholders in the 32nd AGM of the Company held on September 28, 2016.

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 2015-16 was filed on September 15, 2016.

Based on the recommendations of the Audit Committee, the Board of Directors has appointed M/s. G.T. & Co., Cost Accountants, as cost auditors of the Company for the financial year 2017-18 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.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s. R&D Company Secretaries, Practicing Company Secretaries conducted the Secretarial Audit of the Company for the financial year ended March 31, 2017. The Secretarial Audit Report for the said period is attached as **Annexure F** to this Report.

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

a) 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, 3 returns were inadvertently delayed by one or two days only.

b) The Company has made application to Central Government in connection with Managerial remuneration paid to the Managing Director, Joint Managing Directors and Whole Time Directors exceeding the ceiling prescribed under the erstwhile Schedule XIII of the Companies Act, 1956 during the year 2012-13 and 2013-14. The Company has also filed application in connection with non-compliance to one of the condition of Part II of Section II of Schedule V to the Companies Act, 2013 in relation to Managerial remuneration paid during the financial year 2015-16. The Company has also filed application for Managerial remuneration paid during the financial year 2016-17. The Company's applications for approval of the aforesaid remuneration have not been approved by the Central Government and in terms of the order of the Central Government, the Company is required to recover the excess amount thus paid for the said years unless the recovery thereof is waived by the Central Government:

   In view of absence of profits during financial years 2012-13 and 2013-14, total remuneration paid to the Managing/Joint Managing and Whole time Directors had 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 Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration paid to a whole time director during financial year 2015-16 and remuneration paid to Managing/Joint Managing and Whole time Directors during financial year 2016-17 required approval of the Central Government and the Company had filed the necessary applications in this regard. However, the Company's applications for approval of the aforesaid excess remuneration have not been approved by the Central Government and consequently the Company is required to recover the excess amount thus paid for the said years unless the recovery thereof is waived by the Central Government. For a thorough reconsideration of the matter, the Company has filed/is in the process of filing applications with the Central Government for waiver of recovery of excess remuneration paid in respect of aforesaid financial years.

Material changes and commitments affecting the financial position which have occurred between March 31, 2017 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,
- in the classes of business in which the Company has an interest.

Directors' Responsibility Statement

The Directors hereby confirm that:

a) in the preparation of the annual financial statements for the financial year ended March 31, 2017, 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, 2017, and of the loss of the Company for the year ended March 31, 2017;

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

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Directors' Report

and that such systems were adequate and operating effectively.

Particulars of loans, guarantees or investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act have been disclosed in the notes to the Financial Statements forming part of the Annual Report.

Risk Management

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

The Company has regularly invested in insuring itself against unforeseen risks. The Company's stocks and insurable assets like building, plant & machinery, computer equipments, office equipments, 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.

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 and Regulation 22 of SEBI Listing Regulations, 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 provide adequate safeguard for protection from any victimization.

This policy is available on the website of the Company and can be accessed at: http://www.panacea-biotec.com/partnerzone/VigilMechanismWhsitleBlowerPolicy.pdf. 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 complaints were received during the year.

Corporate Social Responsibility

The provisions of Section 135 of the Act, 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.500 Crore or turnover of Rs.1,000 Crore or net profit of Rs.5 Crore 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.

As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has constituted Internal Complaints Committee (ICC) 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 your Company's employees at all levels which has continued to be our major strength.

For and on behalf of the Board

Place : New Delhi — Soshil Kumar Jain
Dated : May 30, 2017 — Chairman

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Annexure A

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

I. Conservation of Energy

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

1. Energy Conservation measures taken

   The Company had devised its production lines and other facilities keeping in view the objective of minimum energy losses.

   The following are the major energy conservation measures implemented during the year under review and recent past:

   - Installation of LED tube lights at Baddi.
   - Installation of Eurovent certified energy efficient AHUs for HVAC system at Vaccine Facility, Baddi.
   - Use of sunlight at Service Floor by providing transparent sheets in Roof Shed at Baddi.
   - Vacuum Pump Water recirculation arrangement installed at Unit 1 Pharma Baddi.
   - 100% use of treated ETP water for irrigation purposes.
   - Replacement of CFL lights with LED lights.
   - Used 37KW pump in place of 50KW pump during winter season at Lalru Plant.
   - 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 intends to interconnect air compressors of various blocks at Lalru, with a view to create redundancy in the compressed air system and also to reduce energy consumption, as unload hours of compressors will get reduced resulting in energy saving to the tune of 1.28 lakh energy units per annum.
   - The Company has also identified a prospective potential for energy saving by controlling feed water characteristics of Boiler to reduce blow down from boiler or to recover energy from blow down at Lalru.
   - The Company also intends to replace Oil fired boiler with fire briquette boiler.
   - The Company has identified the possibility to use effluent treated water in cooling towers by passing effluent treated water thru softener vessel.

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)	22,317.2	20,602.1
Total Amount (Rs. in million)	148.8	137.1
Rate/Unit (Rs.)	6.7	6.6
(b) Own generation		
(i) Through Diesel Generator		
Units (Nos. in thousand)	968.4	825.3
Unit per litre of Diesel/Oil	3.4	3.4
Cost/Unit (Rs.)	15.4	14.5

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Annexure to the Directors' Report

Particulars	Current Year	Previous Year
(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)	1,320.9	590.7
Total Cost (Rs. in million)	36.1	15.2
Rate/Unit (Rs.)	27.4	25.7
4. Others/Internal generation		
Quantity	Nil	Nil
Total Cost		
Rate/Unit		
B. Consumption per unit of production		
Tablets		
Production (no. in million)	632.5	759.3
Electricity Consumption (Units per thousand)	4.4	4.6
Capsules		
Production (no. in million)	142.3	140.1
Electricity Consumption (Units per thousand)	21.6	16.4
Syrups		
Production (in liters)	204,631	246,498
Electricity Consumption (Units per kiloliter)	0.3	0.3
Gels		
Production (in kilograms)	33,625	28,851
Electricity Consumption (Units per kilogram)	5.8	5.2
Vaccines		
Production (no. of vials in thousand)	11,675	15,920
Electricity Consumption (Units per thousand)	102	92
Pre-filled Syringes (PFS)		
Production (no. of PFS in thousand)	594	1,380
Electricity Consumption (Units per thousand)	245.8	216.8
Granules		
Production (in kilograms)	10,916	10,930
Electricity Consumption (Units per kilogram)	1.0	1.0
Injections		
Production (no. of injection in thousand)	101	72
Electricity Consumption (Units per thousand)	532.0	784.4

II. Technology Absorption

Form B

Form for disclosure of particulars with respect to Technology Absorption

Research & Development (R&D)

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

   The Company has 4 R&D Centres manned with around 90 scientists working on several key projects in vaccines, pharmaceutical formulations and biopharmaceuticals.

   The areas of research being pursued by the Company include:

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

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

   - Development of novel drug delivery products;
   - Bringing innovative products to market;
   - Fulfilling unmet therapeutic needs and customer

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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 Research & Development 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	2016-17	2015-16
a) Revenue (excluding Depreciation on R&D assets)	427.1	452.8
b) Capital	219.0	10.2
c) Total	646.1	463.0
d) Total R&D expenditure as a percentage of net sales	12.2%	7.1%

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 Pneumococcal Conjugate Vaccine, Tetravalent Dengue Vaccine, Sabin-Inactivated Polio Vaccine (s-IPV), 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 5 key projects enabling the Company to file the ANDAs with USFDA. 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 financial year 2016-17, the Company has launched world's first wP based fully-liquid hexavalent vaccine EasySix™ and tetravalent vaccine Easyfour-TT.

The Company has in-licensed technology 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)
1.	Technology for development of sabin IPV Vaccine	2011-12	No	Technology transfer is in progress. Optimization in original process at Netherland facility to improve the process in terms of yield has been completed. Demonstration of optimized process and establishment of process at Lab scale is under progress. The process optimization at the Company has been performed in 3 stages. Progress was made in each stage, both in process and analytical testing. In the first batch using tray cell factory, all 3 serotypes were produced. Subsequently, owing to the GAP III guidelines, biocontainment of type 2 serotype and requirement for Polio Essential Facility, batches were taken with serotype 1 and 3. R&D efforts have been successfully completed up to 5L bioreactor batches. Optimization and manufacture of batches for initiating clinical trials is planned for current financial year.

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Annexure to the Directors' Report

III. Foreign Exchange Earnings and Outgo

1. Activities relating to exports

The Company is currently exporting its products to around 30 countries and has achieved exports turnover of Rs.2,000.3 million during financial year 2016-17. The exports contributed around 38% of the net revenue from operations of the Company. The major countries where the Company's products are exported include US, Russian Federation, Philippines, Serbia, Sri Lanka, Tanzania, Turkey, Mongolia, Ethiopia, Myanmar, Thailand, Uganda, etc.

During the financial year 2016-17, the Company has entered into new markets in Croatia, Ecuador and Ethiopia.

2. Initiatives taken to increase export

During the year, the Company has continued to focus on development, registration and marketing of product portfolio catering to chronic therapies in private market in the large and emerging markets.

During the year, the Company has expanded its existing collaboration with Bionpharma Inc., USA for marketing of the Company's recently approved 2nd Abbreviated New Drug Application (ANDA), viz. Rizatriptan oral dispersible tablets and has recently launched the same in US markets through such strategic collaboration with Bionpharma Inc., USA.

During the year, the Company has also entered into strategic collaborations with two leading Indian pharmaceutical companies for manufacturing and supply of the Company's oncology and nephrology products for selected countries in north-Africa and Asia region.

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

The Company continues to focus on exports as a major thrust area and has taken necessary steps to strengthen and grow its exports in the coming years.

The approval process for ANDAs filed earlier with the USFDA is in progress. The development of products under the strategic alliances with Canada's largest pharma company, Apotex Inc., continue to progress as per agreed milestones and the Company expects to file one of the ANDA during the current financial year and the second during the next financial year.

The Company is now working on more than 10 ANDAs which are expected to be filed over the next 2 years. The Company plans to launch these products in US, Europe, etc. through strategic collaborations with leading pharma companies.

The Company is building a robust pipeline of around 25 products for several other emerging markets which it will be filing in the next 12-15 months. These products will be commercialized through Company's existing / new distribution partners.

4. Total foreign exchange earned and used

(Rs. in million)

Particulars	2016-17	2015-16
Foreign Exchange Earned		
F.O.B. value of Exports	1,831.6	2,348.1
Deemed exports	-	154.1
Income from distribution rights	16.7	2.3
Research & License Fees	83.8	137.2
Interest Income from subsidiary company	66.0	56.0
Total	1,998.1	2,697.7
Foreign Exchange Used		
Raw Materials & Packing Materials	490.6	590.7
Components & Spare Parts	130.7	28.0
Capital Goods	57.9	-
Know-how Fees	-	1.1
Interest	101.1	90.5
Legal & Professional Fees	21.2	44.1
Royalty	1.9	5.8
Other Expenses		
- Patents, Trade Marks & Product Registration	2.7	3.3
- Advertising and Sales Promotion	13.1	25.2
- Commission on Sales	3.1	23.2
- Rates & Taxes	17.4	15.4
- Testing charges	6.0	10.5
- General expenses	9.1	16.7
- Bank charges	0.9	7.4
- Travelling expenses	5.0	4.2
- Others	36.9	58.5
Total	897.6	924.6

For and on behalf of the Board

Place: New Delhi — Soshil Kumar Jain
Dated: May 30, 2017 — Chairman

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ANNEXURE B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 read with rule 12(1) of the Company (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: 91-11-26812682-83, 64732681, 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	U74899DL1995PLC068967	Wholly Owned Subsidiary	100	2(87)
2	Cabana Construction Private Limited	U80904DL2007PTC166661	Step down Subsidiary	100	2(87)
3	Cabana Structures Limited	U15122DL2007PLC170999	Step down Subsidiary	100	2(87)
4	Nirmala Buildwell Private Limited	U55101DL2007PTC166763	Step down Subsidiary	100	2(87)
5	Nirmala Organic Farms & Resorts Private Limited	U01403DL2010PTC198194	Step down Subsidiary	100	2(87)
6	Radicura Infra Limited	U74899DL1993PLC056682	Step down Subsidiary	100	2(87)
7	Sunanda Infra Limited	U13209DL2007PLC163082	Step down Subsidiary	100	2(87)
8	NewRise Healthcare Private Limited*	U85110DL2002PTC114987	Subsidiary	88.8	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 Limited	U40101HP2011PTC031700	Joint Venture	50	2(6)
14	Chiron Panacea Vaccines Private Limited (Under liquidation)	U24230MH2004PTC147790	Joint Venture	50	2(6)

*Ceased to be subsidiary from 21st April, 2017

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
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	43,409,113	-	43,409,113	70.87%	43,379,113	-	43,379,113	70.82%	-0.05%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(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)	45,722,567	-	45,722,567	74.65%	45,692,567	-	45,692,567	74.60%	-0.05%

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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 (A)	45,722,567	-	45,722,567	74.65%	45,692,567	-	45,692,567	74.60%	-0.05%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	117,620	-	117,620	0.19%	-	-	-	-	-0.19%
b) Banks / FI	26,886	-	26,886	0.04%	22,250	-	22,250	0.04%	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	278,242	-	278,242	0.45%	-	-	-	0.00%	-0.45%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	422,748	-	422,748	0.69%	22,250	-	22,250	0.04%	-0.65%
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	9,679,077	1,000	9,680,077	15.80%	9,628,660	2,171	9,630,831	15.72%	-0.08%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,851,757	435,761	3,287,518	5.36%	3,203,080	418,340	3,621,420	5.91%	0.55%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	334,076	-	334,076	0.55%	305,572	-	305,572	0.50%	-0.05%
Hindu Undivided Family	71,491	-	71,491	0.12%	155,348	-	155,348	0.25%	0.13%
Non Resident Indians	96,931	-	96,931	0.16%	100,345	-	100,345	0.16%	0.00%
Overseas Corporate Bodies	639,350	-	639,350	1.04%	639,350	-	639,350	1.04%	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	24,337	-	24,337	0.04%	58,715	-	58,715	0.10%	0.06%
Trusts	419	-	419	0.00%	-	-	-	-	-
Foreign Portfolio Investors	998,777	-	998,777	1.63%	1,021,893	-	1,021,893	1.67%	0.04%
Foreign Corporate Bodies	2,455	-	2,455	0.00%	2,455	-	2,455	0.00%	-
Sub-total (B)(2)	14,668,670	436,761	15,105,431	24.66%	15,115,418	420,511	15,535,929	25.36%	0.70%
Total Public (B)	15,091,418	436,761	15,528,179	25.35%	15,137,668	420,511	15,558,179	25.40%	0.05%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	60,813,985	436,761	61,250,746	100.00%	60,830,235	420,511	61,250,746	100.00%	0.00%

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(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%	-
2	Mr. Ravinder Jain	5,712,300	9.33%	-	5,712,300	9.33%	-	-
3	Dr. Rajesh Jain	6,213,500	10.14%	100.00%	6,213,500	10.14%	100.00%	-
4	Mr. Sandeep Jain	4,792,100	7.82%	100.00%	4,792,100	7.82%	100.00%	-
B.	Promoters Group							
5	Mrs. Nirmala Jain	2,511,000	4.10%	-	2,511,000	4.10%	-	-
6	Mrs. Sunanda Jain	635,000	1.04%	-	935,000	1.53%	-	0.49%
7	Mrs. Meena Jain	897,000	1.46%	-	897,000	1.46%	-	-
8	Mrs. Pamilla Jain	816,500	1.33%	-	816,500	1.33%	-	-
9	Soshil Kumar Jain (HUF)	2,251,713	3.68%	-	2,251,713	3.68%	-	-
10	Ravinder Jain (HUF)	4,135,000	6.75%	-	4,135,000	6.75%	-	-
11	Rajesh Jain (HUF)	4,368,500	7.13%	-	4,368,500	7.13%	-	-
12	Sandeep Jain (HUF)	4,105,000	6.70%	-	4,105,000	6.70%	-	-
13	Mr. Ankesh Jain	307,000	0.50%	-	307,000	0.50%	-	-
14	Mr. Harshet Jain	299,500	0.49%	-	299,500	0.49%	-	-
15	Mr. Nipun Jain	300,000	0.49%	-	-	0.00%	-	-0.49%
16	Ms. Priyanka Jain	318,000	0.52%	-	318,000	0.52%	-	-
17	Mrs. Radhika Jain	357,000	0.58%	-	357,000	0.58%	-	-
18	Mr. Sumit Jain	358,500	0.59%	-	358,500	0.59%	-	-
19	Mr. Abhey Kumar Jain	1,000	0.00%	-	1,000	0.00%	-	-
20	Mrs Kanta Rani	30,000	0.05%	-	-	0.00%	-	-0.05%
21	Mr. Ashish Jain	500	0.00%	-	500	0.00%	-	-
22	First Lucre Partnership Co.	2,255,815	3.68%	-	2,255,815	3.68%	-	-
23	Second Lucre Partnership Co.	57,639	0.09%	-	57,639	0.09%	-	-

(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	Mrs. Sunanda Jain							
	at the beginning of the year	635,000	1.04%	01.04.2016			635,000	1.04%
	change in shareholding			08.07.2016	300,000	Transfer	935,000	1.53%
	at the end of the year	935,000	1.53%	31.03.2017			935,000	1.53%
2	Kanta Rani							
	at the beginning of the year	30,000	0.05%	01.04.2016			30,000	0.05%
	change in shareholding			08.04.2016	(1,000)	Transfer	29,000	0.05%
				06.05.2016	(1,000)	Transfer	28,000	0.05%
				17.06.2016	(10,000)	Transfer	18,000	0.03%
				01.07.2016	(3,736)	Transfer	14,264	0.02%
				08.07.2016	(14,264)	Transfer	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
3	Mr. Nipun Jain							
	at the beginning of the year	300,000	0.49%	01.04.2016			300,000	0.49%
	change in shareholding			08.07.2016	(300,000)	Transfer	-	-
	at the end of the year	-	-	31.03.2017			-	-

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	8,932,632	14.58%	01.04.2016			8,932,632	14.58%
	change in shareholding				-	-	8,932,632	14.58%
	at the end of the year	8,932,632	14.58%	31.03.2017			8,932,632	14.58%
2	Gain Premium Limited							
	at the beginning of the year	639,350	1.04%	01.04.2016			639,350	1.04%
	change in shareholding				-	-	639,350	1.04%
	at the end of the year	639,350	1.04%	31.03.2017			639,350	1.04%
3	BNP Paribas Arbitrage							
	at the beginning of the year	493,777	0.81%	01.04.2016			493,777	0.81%
	change in shareholding				-	-	493,777	0.81%
	at the end of the year	493,777	0.81%	31.03.2017			493,777	0.81%
4	India Opportunities Growth Fund Ltd. - Pinewood Strategy							
	at the beginning of the year	505,000	0.82%	01.04.2016			505,000	0.82%
	change in shareholding			04.11.2016	30,000	Transfer	535,000	0.87%
				17.02.2017	(30,000)	Transfer	505,000	0.82%
				10.03.2017	(22,154)	Transfer	482,846	0.79%
	at the end of the year	482,846	0.79%	31.03.2017			482,846	0.79%
5	Chakan Investment Pvt. Ltd.							
	at the beginning of the year	222,149	0.36%	01.04.2016			222,149	0.36%
	change in shareholding				-	-	222,149	0.36%
	at the end of the year	222,149	0.36%	31.03.2017			222,149	0.36%
6	Ashwani Jain							
	at the beginning of the year	179,572	0.29%	01.04.2016			179,572	0.29%
	change in shareholding				-	-	179,572	0.29%
	at the end of the year	179,572	0.29%	31.03.2017			179,572	0.29%
7	Guttikonda Vara Lakshmi							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding			04.11.2016	81,000	Transfer	81,000	0.13%
				02.12.2016	14,996	Transfer	95,996	0.16%
				09.12.2016	4	Transfer	96,000	0.16%
				27.01.2017	30,000	Transfer	126,000	0.21%
	at the end of the year	126,000	0.21%	31.03.2017			126,000	0.21%
8	Priti Ketan Kotecha							
	at the beginning of the year	20,158	0.03%	01.04.2016			20,158	0.03%
	change in shareholding			08.04.2016	9	Transfer	20,167	0.03%
				13.05.2016	190	Transfer	20,357	0.03%
				20.05.2016	50	Transfer	20,407	0.03%
				27.05.2016	15,865	Transfer	36,272	0.06%
				03.06.2016	(2,200)	Transfer	34,072	0.06%
				10.06.2016	12,510	Transfer	46,582	0.08%
				17.06.2016	2,800	Transfer	49,382	0.08%
				24.06.2016	4,800	Transfer	54,182	0.09%
				01.07.2016	(427)	Transfer	53,755	0.09%
				08.07.2016	(100)	Transfer	53,655	0.09%
				15.07.2016	(246)	Transfer	53,409	0.09%
				29.07.2016	1,055	Transfer	54,464	0.09%
				05.08.2016	1,000	Transfer	55,464	0.09%
				26.08.2016	2,453	Transfer	57,917	0.09%
				02.09.2016	1,800	Transfer	59,717	0.10%
				09.09.2016	1,295	Transfer	61,012	0.10%
				16.09.2016	1,788	Transfer	62,800	0.10%
				30.09.2016	1,445	Transfer	64,245	0.10%

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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
	change in shareholding			07.10.2016	244	Transfer	64,489	0.11%
				14.10.2016	1,200	Transfer	65,689	0.11%
				21.10.2016	2,185	Transfer	67,874	0.11%
				28.10.2016	4,239	Transfer	72,113	0.12%
				04.11.2016	(1,133)	Transfer	70,980	0.12%
				11.11.2016	13,590	Transfer	84,570	0.14%
				18.11.2016	3,871	Transfer	88,441	0.14%
				25.11.2016	35	Transfer	88,476	0.14%
				02.12.2016	(175)	Transfer	88,301	0.14%
				09.12.2016	353	Transfer	88,654	0.14%
				16.12.2016	(50)	Transfer	88,604	0.14%
				23.12.2016	2,004	Transfer	90,608	0.15%
				06.01.2017	(400)	Transfer	90,208	0.15%
				13.01.2017	400	Transfer	90,608	0.15%
				20.01.2017	(39,322)	Transfer	51,286	0.08%
				27.01.2017	(21,672)	Transfer	29,614	0.05%
				03.02.2017	12,036	Transfer	41,650	0.07%
				10.02.2017	41,496	Transfer	83,146	0.14%
				17.02.2017	(1,136)	Transfer	82,010	0.13%
				03.03.2017	3,663	Transfer	85,673	0.14%
				10.03.2017	5,809	Transfer	91,482	0.15%
				24.03.2017	(500)	Transfer	90,982	0.15%
				31.03.2017	(743)	Transfer	90,239	0.15%
	at the end of the year	90,239	0.15%	31.03.2017			90,239	0.15%
9	Poonawalla Investment & Industries Pvt. Ltd							
	at the beginning of the year	79,610	0.13%	01.04.2016			79,610	0.13%
	change in shareholding				-	-	79,610	0.13%
	at the end of the year	79,610	0.13%	31.03.2017			79,610	0.13%
10	HS Gowrishankara							
	at the beginning of the year	73,100	0.12%	01.04.2016			73,100	0.12%
	change in shareholding			22.04.2016	1,900	Transfer	75,000	0.12%
				13.05.2016	2,000	Transfer	77,000	0.13%
				20.05.2016	1,100	Transfer	78,100	0.13%
				27.05.2016	200	Transfer	78,300	0.13%
	at the end of the year	78,300	0.13%	31.03.2017			78,300	0.13%
11	Cobra India (Mauritius) Ltd. @							
	at the beginning of the year	236,142	0.39%	01.04.2016			236,142	0.39%
	change in shareholding			15.04.2016	(11,761)	Transfer	224,381	0.37%
				22.04.2016	(22,502)	Transfer	201,879	0.33%
				29.04.2016	(5,441)	Transfer	196,438	0.32%
				06.05.2016	(12,037)	Transfer	184,401	0.30%
				13.05.2016	(1,103)	Transfer	183,298	0.30%
				03.06.2016	(183,298)	Transfer	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
12	Neeta Jatin Jhaveri @							
	at the beginning of the year	154,504	0.25%	01.04.2016			154,504	0.25%
	change in shareholding			08.04.2016	(4,000)	Transfer	150,504	0.25%
				03.06.2016	(54,504)	Transfer	96,000	0.16%
				26.08.2016	(10,000)	Transfer	86,000	0.14%
				09.12.2016	(10,082)	Transfer	75,918	0.12%
				06.01.2017	(500)	Transfer	75,418	0.12%
				13.01.2017	(45,250)	Transfer	30,168	0.05%
				20.01.2017	(30,168)	Transfer	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%

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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
13	ICICI Prudential Growth Fund - Series 2 @							
	at the beginning of the year	117,620	0.19%	01.04.2016			117,620	0.19%
	change in shareholding			27.05.2016	(27,450)	Transfer	90,170	0.15%
				03.06.2016	(90,170)	Transfer	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
14	Monarch Networth Capital Ltd. @							
	at the beginning of the year	87,006	0.14%	01.04.2016			87,006	0.14%
	change in shareholding			08.04.2016	65	Transfer	87,071	0.14%
				15.04.2016	25	Transfer	87,096	0.14%
				22.04.2016	(50)	Transfer	87,046	0.14%
				29.04.2016	25	Transfer	87,071	0.14%
				06.05.2016	50	Transfer	87,121	0.14%
				27.05.2016	25	Transfer	87,146	0.14%
				03.06.2016	285	Transfer	87,431	0.14%
				10.06.2016	(270)	Transfer	87,161	0.14%
				17.06.2016	90	Transfer	87,251	0.14%
				24.06.2016	(45)	Transfer	87,206	0.14%
				01.07.2016	20	Transfer	87,226	0.14%
				08.07.2016	(21,030)	Transfer	66,196	0.11%
				15.07.2016	(6)	Transfer	66,190	0.11%
				22.07.2016	(3,887)	Transfer	62,303	0.10%
				29.07.2016	1,222	Transfer	63,525	0.10%
				05.08.2016	(1,060)	Transfer	62,465	0.10%
				12.08.2016	25	Transfer	62,490	0.10%
				19.08.2016	460	Transfer	62,950	0.10%
				26.08.2016	(140)	Transfer	62,810	0.10%
				02.09.2016	(7,940)	Transfer	54,870	0.09%
				09.09.2016	(14,274)	Transfer	40,596	0.07%
				16.09.2016	(21,343)	Transfer	19,253	0.03%
				23.09.2016	(445)	Transfer	18,808	0.03%
				30.09.2016	(15,829)	Transfer	2,979	0.00%
				07.10.2016	(1,639)	Transfer	1,340	0.00%
				14.10.2016	602	Transfer	1,942	0.00%
				21.10.2016	(144)	Transfer	1,798	0.00%
				28.10.2016	(103)	Transfer	1,695	0.00%
				04.11.2016	3,507	Transfer	5,202	0.01%
				11.11.2016	(965)	Transfer	4,237	0.01%
				18.11.2016	(250)	Transfer	3,987	0.01%
				25.11.2016	2,850	Transfer	6,837	0.01%
				02.12.2016	(3,025)	Transfer	3,812	0.01%
				09.12.2016	(60)	Transfer	3,752	0.01%
				16.12.2016	2,300	Transfer	6,052	0.01%
				23.12.2016	(2,761)	Transfer	3,291	0.01%
				30.12.2016	407	Transfer	3,698	0.01%
				06.01.2017	443	Transfer	4,141	0.01%
				13.01.2017	352	Transfer	4,493	0.01%
				20.01.2017	(1,655)	Transfer	2,838	0.00%
				27.01.2017	645	Transfer	3,483	0.01%
				03.02.2017	1,487	Transfer	4,970	0.01%
				10.02.2017	1,167	Transfer	6,137	0.01%
				17.02.2017	(2,321)	Transfer	3,816	0.01%
				24.02.2017	(1,435)	Transfer	2,381	0.00%
				03.03.2017	(305)	Transfer	2,076	0.00%
				10.03.2017	434	Transfer	2,510	0.00%
				17.03.2017	(2,279)	Transfer	231	0.00%
				24.03.2017	331	Transfer	562	0.00%
				31.03.2017	(255)	Transfer	307	0.00%
	at the end of the year	307	0.00%	31.03.2017			307	0.00%

@ Ceased to be in the list of Top 10 shareholders as on March 31, 2017 but was on the top 10 shareholders as on April 01, 2016.

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(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%	01.04.2016			5,000,000	8.16%
	change in shareholding				-	-	5,000,000	8.16%
	at the end of the year	5,000,000	8.16%	31.03.2017			5,000,000	8.16%
2	Mr. Ravinder Jain							
	at the beginning of the year	5,712,300	9.33%	01.04.2016			5,712,300	9.33%
	change in shareholding				-	-	5,712,300	9.33%
	at the end of the year	5,712,300	9.33%	31.03.2017			5,712,300	9.33%
3	Dr. Rajesh Jain							
	at the beginning of the year	6,213,500	10.14%	01.04.2016			6,213,500	10.14%
	change in shareholding				-	-	6,213,500	10.14%
	at the end of the year	6,213,500	10.14%	31.03.2017			6,213,500	10.14%
4	Mr. Sandeep Jain							
	at the beginning of the year	4,792,100	7.82%	01.04.2016			4,792,100	7.82%
	change in shareholding				-	-	4,792,100	7.82%
	at the end of the year	4,792,100	7.82%	31.03.2017			4,792,100	7.82%
5	Mr. Sumit Jain							
	at the beginning of the year	358,500	0.59%	01.04.2016			358,500	0.59%
	change in shareholding				-	-	358,500	0.59%
	at the end of the year	358,500	0.59%	31.03.2017			358,500	0.59%
6	Mr. Ankesh Jain							
	at the beginning of the year	307,000	0.50%	01.04.2016			307,000	0.50%
	change in shareholding				-	-	307,000	0.50%
	at the end of the year	307,000	0.50%	31.03.2017			307,000	0.50%
B. Non Executive Directors:								
7	Mr. Mukul Gupta							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding				-	-	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
8	Mr. Krishna Murari Lal							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding				-	-	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
9	Mr. Namdeo Narayan Khamitkar							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding				-	-	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
10	Mr. Raghava Lakshmi Narasimhan							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding				-	-	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
11	Mr. Om Prakash Kelkar							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding				-	-	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
12	Mrs. Manjula Upadhyay							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding				-	-	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%
C. Key Managerial Personnel (KMPs):								
13	Mr. Vinod Goel (Company Secretary)							
	at the beginning of the year	250	0.00%	01.04.2016			250	0.00%
	change in shareholding				-	-	250	0.00%
	at the end of the year	250	0.00%	31.03.2017			250	0.00%
14	Mr. Devender Gupta (Chief Financial Officer)							
	at the beginning of the year	-	0.00%	01.04.2016			-	0.00%
	change in shareholding				-	-	-	0.00%
	at the end of the year	-	0.00%	31.03.2017			-	0.00%

Annexure to the Directors' Report

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	9,623.8	567.1	-	10,190.9
ii) Interest due but not paid	242.2	84.8	-	327.0
iii) Interest accrued but not due	4.2	3.8	-	8.0
Total (i+ii+iii)	9,870.2	655.7	-	10,525.9
Change in Indebtedness during the financial year				
Addition	-	7.3	-	7.3
Reduction	146.8	-	-	144.8
Net Change	(146.8)	7.3	-	(137.5)
Indebtedness at the end of the financial year				
i) Principal Amount	9,593.5	551.6	-	10,145.1
ii) Interest due but not paid	125.7	106.0	-	231.7
iii) Interest accrued but not due	4.2	5.4	-	9.6
Total (i+ii+iii)	9,725.4	663.0	-	10,388.4

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	Mr. Ravinder Jain	Dr. Rajesh Jain	Mr. Sandeep Jain	Mr. Sumit Jain	Mr. Ankesh Jain	
	Designation	Chairman	Managing Director	Joint Managing Director	Joint Managing 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	9.2	7.2	6.0	5.5	3.9	1.8	33.6
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1.3	4.5	1.2	1.0	0.5	0.8	9.3
	(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	10.5	11.7	7.2	6.5	4.4	2.6	43.0

B. Remuneration to other Directors								
S. No.	Particulars of Remuneration	Name of Directors						Total Amount
	Independent Directors	Mr. R. L. Narasimhan	Mr. N. N. Khamitkar	Mr. K. M. Lal	Mrs. Manjula Upadhyay	Mr. Mukul Gupta	Mr. O. P. Kelkar	
1	Fee for attending board / committee meetings	0.3	0.3	0.2	0.2	0.2	0.2	1.4
2	Commission	-	-	-	-	-	-	-
3	Others- monthly allowances	-	-	-	-	-	-	-
	Total	0.3	0.3	0.2	0.2	0.2	0.2	1.4

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	4.5	3.6	8.1
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.0	-	0.0
	(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	4.5	3.6	8.1

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:
During the year 2016-17, 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 : May 30, 2017

Soshil Kumar Jain
Chairman

Annexure to the Directors' Report

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 : May 30, 2017

Soshil Kumar Jain
Chairman

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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, 2017

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

Name of the Director	Designation	Ratio to median remuneration of employees
Mr. Soshil Kumar Jain	Chairman	43.88
Mr. Ravinder Jain	Managing Director	48.75
Dr. Rajesh Jain	Joint Managing Director	30.08
Mr. Sandeep Jain	Joint Managing Director	27.21
Mr. Sumit Jain	Director Operations & Projects	18.50
Mr. Ankesh Jain	Director Sales & Marketing	10.79

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 2016-17:

Name of the Director & KMP	Designation	% increase in remuneration
Mr. Soshil Kumar Jain	Chairman	25.66%
Mr. Ravinder Jain	Managing Director	2.63%
Dr. Rajesh Jain	Joint Managing Director	-4.37%
Mr. Sandeep Jain	Joint Managing Director	-2.54%
Mr. Sumit Jain	Director Operations & Projects	17.77%
Mr. Ankesh Jain	Director Sales & Marketing	N.A.*
Mr. Devender Gupta	C.F.O. and Head IT	46.93%
Mr. Vinod Goel	Group C.F.O. and Head Legal & Company Secretary	22.04%

*Mr. Ankesh Jain has been appointed as Director w.e.f. April 01, 2016.

c. The percentage increase in the median remuneration of employees in the financial year 2016-17: 9.09%

d. The number of permanent employees on the rolls of the Company : 2,261 as at March 31, 2017.

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

   The average percentile increase in remuneration of employees other than managerial remuneration was 6.45%. Increase in the managerial remuneration for the year was 4.88%.

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

For and on behalf of the Board

Place : New Delhi
Dated : May 30, 2017

Soshil Kumar Jain
Chairman

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Annexure to the Directors' Report

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, 2017

S. No.	Name	Designation	Remuneration (Rs. in million)	Nature of employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in Yrs.)	Particulars of Last Employment: Name of Employer, Designation, Period of Service (Years)
Top 10 employees as on March 31, 2017 in terms of remuneration drawn during the year:									
1	Mr. Soshil Kumar Jain	Chairman	10.5	Contractual	Pharmacist	62	02.02.1984	84	Nil
2	Mr. Ravinder Jain	Managing Director	11.7	Contractual	Matriculate	37	15.11.1984	60	Nil
3	Dr. Rajesh Jain	Joint Managing Director	7.2	Contractual	Ph.D	33	15.11.1984	53	Nil
4	Mr. Sandeep Jain	Joint Managing Director	6.5	Contractual	Senior Secondary	32	15.11.1984	51	Nil
5	Dr. Sanjay Trehan	Head- Global Drug Discovery & Development	9.0	Permanent employee	Ph.D	29	01.07.2004	58	Dr. Reddy Laboratories Ltd., Research Director, 3.9 years
6	Mr. Kulvinder Sarao	Sr. V.P.-Audit & Compliances (HR)	6.4	Permanent employee	PGD in Personal Management	31	14.01.2005	56	Hero Honda Motors Limited, Head HRM, 3 months
7	Dr. Sukhjeet Singh	Sr. V.P.- Pharmaceutical Research	6.3	Permanent employee	Ph.D	25	17.08.2006	48	Strides Arcolab Limited, VP- Formulation & Development, 1 year
8	Dr. Sudhir Kumar Sharma	V.P.- Drug Development & Research (Biologicals)	5.5	Permanent employee	Ph.D	15	17.08.2005	48	Dr. Reddy Laboratories Ltd., Principle Scientist, 20 years
9	Mr. Gurinder Pal Singh	Sr. V.P.-Diacar. Alpha & Procare & Growcare	5.3	Permanent employee	B.Sc	23	09.03.2010	50	Cadila Pharma V.P- Sales & Marketing, 2 years
10	Mr. Jagattaran Das	V.P.- Chemistry Research	4.8	Permanent employee	Ph.D	23	01.07.2005	54	Dr. Reddy Laboratories Ltd., Principle Scientist, 6 years

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 and Mr. Ravinder Jain were the only persons who were employed throughout the Financial Year ended March 31, 2017 and were in receipt of remuneration for the year which is more than Rs.10.2 million. The relevant details are given at Sr. No. 1 and 2 above.
4. There was no employee who was employed for a part of the Financial Year ended March 31, 2017 and was in receipt of remuneration for any part of the year, at the rate which in the aggregate was not less than Rs.0.85 million per month.
5. The terms and conditions of employees at Sl. No. 1 to 4 are as approved by the Board of Directors and Shareholders on the recommendation of Nomination & Remuneration Committee. The employees at Sl. No. 5 to 10 are paid remuneration as per the policy/rules of the Company.
6. None of the above employees is related to any of the Directors except that Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain are related to each other.
7. The nature of duties of Chairman, Managing Director and Joint Managing Directors are as under: Mr. Soshil Kumar Jain, Chairman - Strategic planning, vision and formulation of strategies; Mr. Ravinder Jain, Managing Director - Overall supervision of day-to-day operations with emphasis on strategic planning and business development; Dr. Rajesh Jain, Joint Managing Director - Overall supervision of day-to-day operations with emphasis on R&D, business development and marketing and Mr. Sandeep Jain, Joint Managing Director - Overall supervision of day-to-day operations with emphasis on finance, international marketing, regulatory affairs and taxation.

For and on behalf of the Board

Dated : May 30, 2017
Place : New Delhi

Soshil Kumar Jain
Chairman

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Annexure F

Secretarial Audit Report for the financial year ended March 31, 2017

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, 2017, 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, 2017, 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;
    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 (De-listing of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.
    h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/ propose to buy back any of its securities during the financial year under review.
vi. The management has identified the following laws as specifically applicable to the Company:
    - Drugs & Cosmetics Act, 1940;
    - Drugs Act, 1940;
    - Drug (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,

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

- 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 has made application to Central Government in connection with Managerial remuneration paid to the Managing Director, Joint Managing Directors and Whole time Directors exceeding the ceiling prescribed under the erstwhile Schedule XIII of the Companies Act, 1956 during the year 2012-13 and 2013-14. The Company has also filed application in connection with non-compliance to one of the condition of Part II of Section II of Schedule V to the Companies Act, 2013 in relation to Managerial remuneration paid during the financial year 2015-16. The Company has also filed application for Managerial remuneration paid during the financial year 2016-17. The Company's applications for approval of the aforesaid remuneration have not been approved by the Central Government and in terms of the order of the Central Government, the Company is required to recover the excess amount thus paid for the said years unless the recovery thereof is waived by the Central Government.

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 : 30th May, 2017

Annexure A

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 : 30th May, 2017

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Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

Corporate governance is an important factor in ensuring investors' protection, providing excellent work environment leading to higher standards of management and maximization of everlasting long-term values. Corporate governance measures are integral part of the Company's business that add to considerable internal & external values and contribute 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 disclosures, 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 set systems, procedures, policies, practices, standards which are put in place to ensure that relationship with various stakeholders are maintained in transparent and honest manner. The Company has made a system of structuring, operating and controlling the Company which tries to fulfill long-term strategic goals of the Company and its stakeholders, takes care of the interests of employees, shows consideration for the environment and local community, maintains relations with customers and suppliers, 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.

During the year, the Board of Directors of the Company comprised of 12 members including 6 executive directors (1 Executive Chairman, 1 Managing Director, 2 Joint Managing Directors and 2 Whole-time Directors) and 6 non-executive independent directors (including one woman director). The composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** enjoining specified 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 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 Listing 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/Joint Managing Directors 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 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 and 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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Report on Corporate Governance

- 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;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions;
- Any significant development in human resources/ industrial relations front;
- 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

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 2016-17, four (4) Board Meetings were held on May 27, 2016, August 12, 2016, November 11, 2016 and February 14, 2017.

The attendance of Directors at Board Meetings and last Annual General Meeting ("AGM") and number of directorships & committee memberships as on March 31, 2017, is as under:

S. No.	Name of Director	Category of Directorship	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships$ and Committee memberships/chairmanships* held in other Companies		
						Directorships	Committee Memberships	Committee Chairmanships
1.	Mr. Soshil Kumar Jain	Promoter - Chairman	4	3	No	3	0	0
2.	Mr. Ravinder Jain	Promoter - MD	4	2	No	3	0	0
3.	Dr. Rajesh Jain	Promoter - JMD	4	4	No	3	0	0
4.	Mr. Sandeep Jain	Promoter - JMD	4	3	Yes	2	0	0
5.	Mr. Sumit Jain	Promoter Group - WTD	4	2	No	8	0	0
6.	Mr. Ankesh Jain	Promoter Group - WTD	4	1	No	1	0	0
7.	Mr. K. M. Lal	NID	4	3	No	5	3	2
8.	Mrs. Manjula Upadhyay	NID	4	3	No	3	0	0
9.	Mr. Mukul Gupta	NID	4	3	No	2	1	1
10.	Mr. N. N. Khamitkar	NID	4	4	No	3	1	0
11.	Mr. O. P. Kelkar	NID	4	3	No	1	0	0
12.	Mr. R. L. Narasimhan	NID	4	4	Yes	3	1	0

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 Panacea Biotec Limited.

* In accordance with Regulation 26(1) of SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding Panacea Biotec Limited) have been taken into account.

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 is the father of Mr. Ravinder Jain, Dr. Rajesh Jain & Mr. Sandeep Jain and grandfather of Mr. Sumit Jain (son of Mr. Ravinder 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

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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 Listing 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 programmes for independent directors may be accessed on the Company's website at the link: http://www.panacea-biotec.com/partnerzone/programforindependentdirectors.pdf

g) Separate Meeting of Independent Directors

During the year, one meeting of independent directors was held on August 11, 2016 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 except Mr. Mukul Gupta attended 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.

h) 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 posted on the website of the Company and can be accessed through the link: http://panacea-biotec.com/partnerzone/Code-Of-Conduct.pdf

Declaration from the Joint 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 attached as **Annexure - I**.

i) Brief profile of Directors seeking re-appointment

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

a) Mr. Sandeep Jain

Age : 51 Years

Qualification : Senior Secondary

Professional Expertise: Mr. Sandeep Jain is involved in the overall supervision of day-to-day operations of the Company with emphasis on finance, international marketing, regulatory affairs and taxation. He has experience of around 32 years' in the pharmaceutical industry. Under his exceptional understanding of the business principles, the Company is continuously expanding its global aspirations by improving its international marketing efforts into various markets across the globe and is currently exporting its branded formulations in CIS countries, Asia, Eastern Europe and African region. He has been intensively working on the international marketing efforts of the Company. His duty includes increasing the Company's International brand image and is actively exploring opportunities for launching as well as licensing out some of its patented products for manufacture/marketing in developed countries in Europe, North America and Latin America.

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

Directorships: He is a director of PanEra Biotec Pvt. Ltd. and Neophar Alipro Ltd.

Committee Membership / Chairmanship: He is a Member of Executive Committee and Stakeholders' Relationship Committee of the Company.

Shareholding in the Company: He holds 47,92,100 Equity Shares of Re.1 each, comprising 7.82% of total Equity Share Capital of the Company. He also holds 31,60,000, 0.5% Cumulative Non-Convertible & Non-Participating Redeemable Preference Shares of Rs.10/- each comprising 19.38% of total Preference Share Capital of the Company.

b) Mr. Sumit Jain

Age: 37 Years

Qualification: Post Graduate Diploma in Business Management.

Professional Expertise: Mr. Sumit Jain joined Panacea Biotec Limited in May, 2003 as Manager (Vaccines) and was appointed as Whole-time Director in July 2005. He has experience of around 17 years' in the pharmaceutical industry. He is currently acting as Director (Operations & Projects) and oversees the projects and is also 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 Radicura Infra Ltd. as an Executive Director.

Inter-se relationship between directors: He is related to Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep 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 and White Pigeon Estate Private Limited.

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Committee Membership / Chairmanship: He is a Member of Executive Committee of the Company.

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

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 Listing Regulations. The composition of the Committee during the year was as under:

S. No.	Name	Position	Category
1	Mr. R. L. Narasimhan	Chairman	Independent
2	Mr. K. M. Lal	Member	Independent
3	Mr. N. N. Khamitkar	Member	Independent

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 of Committee

The terms of reference and scope of the Audit Committee include the following:

- To oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the 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; and
- Any other duties/terms of reference which are incidental/necessary for the fulfillment of the above mentioned terms of reference.

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Review of information by Audit Committee:

Apart from other matters, as per Regulation 18(3) of SEBI Listing 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 Listing 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 Listing 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.

c) Meetings of Audit Committee and attendance of members

During the financial year 2016-17, four (4) meetings of the Audit Committee were held on May 26, 2016, August 11, 2016, November 10, 2016 and February 13, 2017. 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	4	4
2	Mr. K. M. Lal	4	3
3	Mr. N. N. Khamitkar	4	4

The Statutory Auditors, Internal Auditors, Associate Director Finance, Chief Financial Officer, Sr. G.M. Accounts, Taxation & IT and D.G.M. Audit & Compliance & Co-ordinator 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 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 28, 2016.

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 Listing Regulations. The composition of the Committee during the year was as under:

S. No.	Name	Position	Category
1	Mr. R. L. Narasimhan	Chairman	Independent
2	Mr. K. M. Lal	Member	Independent
3	Mr. N. N. Khamitkar	Member	Independent

b) Role & Terms of Reference of Committee

The role of the Nomination and Remuneration Committee, inter-alia, includes the following:

i. 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;

ii. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

iii. Devising a policy on diversity of the Board of Directors;

iv. 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; and

v. 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.

c) Meetings of Nomination and Remuneration Committee and attendance of members

During the financial year 2016-17, three (3) meetings of the Nomination and Remuneration Committee were held on May 26, 2016, August 12, 2016 and February 14, 2017. The attendance of members of the Nomination and Remuneration Committee at these meetings was as follows:

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

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

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was present at the last AGM of the Company held on September 28, 2016.

d) Performance Evaluation Criteria for Independent Directors

Pursuant to the applicable provisions of the Act and the SEBI Listing 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 5 (excellent) to 1 (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 all the independent directors have 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 benchmarked with a select group of companies from the pharmaceutical sector; and
- Compensation will be fully transparent and tax compliant.

The details of this policy are available on the Company's website viz. 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 Directors, 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 2016-17 are as under:

(Rs. in million)

S. No.	Name	Designation	Salary	Allowances/ Perquisites	Total
1.	Mr. Soshil Kumar Jain	Chairman	9.2	1.3	10.5
2.	Mr. Ravinder Jain	Managing Director	7.2	4.5	11.7
3.	Dr. Rajesh Jain	Joint Managing Director	6.0	1.2	7.2
4.	Mr. Sandeep Jain	Joint Managing Director	5.5	1.0	6.5
5.	Mr. Sumit Jain	Whole-time Director	3.9	0.5	4.4
6.	Mr. Ankesh Jain	Whole-time Director	1.8	0.8	2.6

Notes:

1. Notice period for termination of appointment of Chairman/Managing/Joint Managing/Whole-time Directors is three months by either party 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 32 (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.

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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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of sitting fees paid to the non-executive directors during financial year ended March 31, 2017 are as under:

(Rs. in million)

S. No.	Name	Sitting Fees
1	Mr. K. M. Lal	0.2
2	Mrs. Manjula Upadhyay	0.2
3	Mr. Mukul Gupta	0.2
4	Mr. N. N. Khamitkar	0.3
5	Mr. O. P. Kelkar	0.2
6	Mr. R. L. Narasimhan	0.3

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, 2017.

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 Listing Regulations. The composition of the Committee during the year was as under:

S. No.	Name	Position	Category
1	Mr. K. M. Lal	Chairman	Independent
2	Mr. R. L. Narasimhan	Member	Independent
3	Mr. Ravinder Jain	Member	Executive
4	Mr. Sandeep Jain	Member	Executive

b) Role & Terms of Reference of the Committee

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 considers and resolves the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

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 role of the Stakeholders' Relationship Committee, inter- alia, includes the following:

- Transfer of securities;
- Transmission/transposition of securities;
- Splitting up, sub-division and consolidation of shares;
- Dematerialization or rematerialization of the issued shares;
- Authorize affixation of common seal of the Company;
- Any other matter relating to securities of the Company;
- Review and redressal of the grievances of all security holders including deposit holders, if any; and
- Any other areas of investors' service.

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 2016-17, five (5) meetings of Stakeholders' Relationship Committee were held on May 26, 2016, August 12, 2016, September 22, 2016, November 10, 2016 and February 13, 2017. 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	5	4
2	Mr. R. L. Narasimhan	5	4
3	Mr. Ravinder Jain	5	1
4	Mr. Sandeep Jain	5	5

The Company Secretary of the Company is acting as the Secretary to the Stakeholders' Relationship Committee.

Compliance Officer: Mr. Vinod Goel, Group CFO and Head Legal & Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6(1) of SEBI Listing 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 28, 2016 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 2016-17 are as under:

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No. of Investor Complaints			
Pending as at April 01, 2016	Received from April 01, 2016 to March 31, 2017	Resolved from April 01, 2016 to March 31, 2017	Pending as at March 31, 2017
NIL	NIL	NIL	NIL

The Company put utmost priority to the satisfaction of its shareholders, which is evident from the fact that no complaint has been 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 share transfers lying pending as on March 31, 2017.

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 at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The date and time of the last three Annual General Meetings and the special resolutions passed thereat are as under:

Financial Year	Date	Time	Special Resolution(s) passed
2015-16	28.09.16	11:30 A.M.	No Special Resolution was passed.
2014-15	30.09.15	11:30 A.M.	• Approval for appointment and remuneration of Mr. Sumit Jain (DIN: 00014236) as Whole-time Director designated as Director (Operations and Projects). • Approval for protection and ratification of excess remuneration paid to Mr. Ravinder Jain (DIN: 00010101), Managing Director, for financial year 2014-15.
2013-14	25.09.14	11:30 A.M.	• Approval for re-appointment of Mr. Soshil Kumar Jain (DIN: 00012812), retiring by rotation, in the Annual General Meeting. • Approval for amendment in Articles of Association of the Company, thereby replacing Article No. 2, 116 (a) & (b) as per the relevant provisions of the Companies Act, 2013. • Approval for remuneration of Mr. Soshil Kumar Jain (DIN: 00012812), Whole-time Director, designated as Chairman, for financial years 2014-15 & 2015-16. • Approval for remuneration of Mr. Ravinder Jain (DIN: 00010101), Managing Director, for financial years 2014-15 & 2015-16. • Approval for remuneration of Dr. Rajesh Jain (DIN: 00013053), Joint Managing Director, for financial years 2014-15 & 2015-16. • Approval for remuneration of Mr. Sandeep Jain (DIN: 00012973), Joint Managing Director, for financial years 2014-15 & 2015-16. • Approval for remuneration of Mr. Sumit Jain (DIN: 00014236), Whole-time Director designated as Director Operations & Projects, for financial years 2014-15 & 2015-16. • Approval for entering into contract/ arrangements/ transactions with M/s PanEra Biotec Pvt. Ltd., an associate company. • Approval of facility agreement entered with M/s. Chiron Panacea Vaccines Pvt. Ltd. (under liquidation), Joint Venture of the company, w.e.f. June 16, 2013 for 11 months and with an option for further renewal for a period upto March 31, 2015.

b) Postal Ballot

During the financial year 2016-17, the Company did not pass any resolution by 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. Financial Express/Business Standard, New Delhi and Chandigarh editions and in Desh Sewak, Chandigarh, 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 to the Stock Exchanges 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. Your Company also regularly provides information to the stock exchanges as per the requirements of the SEBI Listing Regulations.

c) News Releases, Presentations: Press Releases are sent to the Stock Exchanges before sending the same to media and are also displayed on Company's website i.e. www.panaceabiotec.com.

d) Annual Reports: The Annual Report containing, inter alia, Audited Financial Statements (standalone as well

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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. www.panaceabiotec.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available and the said section is regularly updated with the financial results, annual reports, official news releases and other important events.

f) Presentations to institutional investors/analysts: No presentations were 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) 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, 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 33rd AGM is to be held on Wednesday, the 27th day of September 2017, at 11:30 A.M. at the registered office of the Company at Ambala-Chandigarh Highway, Lalru - 140501, Punjab.

Posting of Annual Report	On or before Saturday, September 02, 2017
Last date of receipt of Proxy Form	September 25, 2017 before 11:30 A.M.
Remote e-voting Period	From Sunday September 24, 2017 (09:00 A.M.) to Tuesday, September 26, 2017 (05:00 P.M.)

c) Financial Year

The financial year of the Company covers the period from April 01 to March 31.

d) Financial Calendar 2017-18 (tentative)

S. No.	Tentative Schedule	Tentative Date (on or before)
1.	Financial reporting for the quarter ending June 30, 2017	September 14, 2017
2.	Financial reporting for the quarter ending September 30, 2017	November 14, 2017
3.	Financial reporting for the quarter ending December 31, 2017	February 14, 2018
4.	Financial reporting for the quarter ending March 31, 2018	May 30, 2018
5.	Annual General Meeting for the year ending March 31, 2018	On or before September 30, 2018

e) Date of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from Wednesday, September 20, 2017 to Wednesday, September 27, 2017 (both days inclusive).

f) Dividend Payment Date

In view of losses during the financial year, the Board of Directors has not recommended any dividend on the Equity as well as Preference Shares of the Company.

g) Unclaimed Dividends

Under the Act, dividend for the financial year ended March 31, 2010 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Members are requested to encash their unclaimed dividend, if any.

Information in respect of other unclaimed dividends when due for transfer to the IEPF is given below:

Financial Year	Date of declaration of Dividend	Last date for claiming unclaimed Dividend	Due date for transfer of dividend
2009-10	25.09.2010	24.10.2017	23.11.2017
2010-11	24.09.2011	23.10.2018	22.11.2018

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Further, pursuant to the provisions of Section 124(6) of the Act, all the shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more needs to be transferred in the name of IEPF Authority.

In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2010-11 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more. Members are advised to visit the web-link: http://www.panaceabiotec.com/unpaiddividend.html to ascertain details of shares liable for transfer in the name of IEPF Authority.

h) Listing on Stock Exchanges

As on date, 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 period 2017-18 to both the above stock exchanges and there is no outstanding payment as on date.

i) Stock Code of Equity Shares

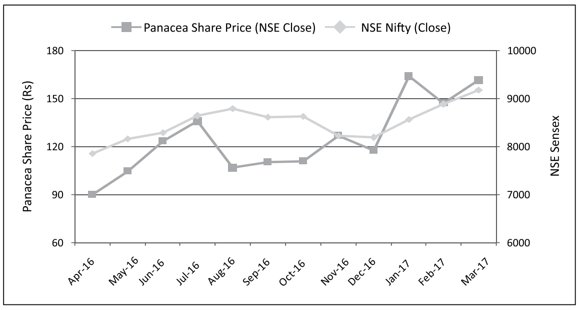
- Trade Symbol at NSE is PANACEABIO.
- Stock Code at BSE is 531349.
- ISIN No. for Dematerialization is INE922B01023.

j) Market Price data

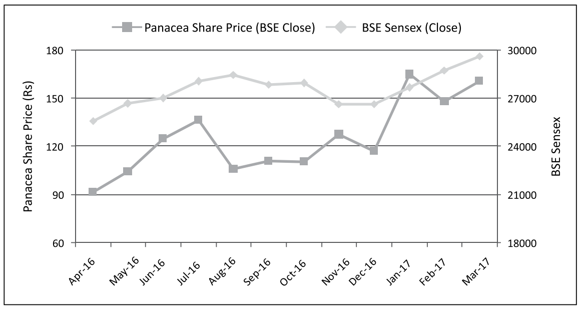
The Monthly High and Low prices of the shares of the Company at BSE and NSE during the year ended March 31, 2017 are as under:

Month	Share Prices (Rs.) at BSE		Share Prices (Rs.) at NSE	
	High	Low	High	Low
April, 2016	98.00	87.70	94.50	89.05
May, 2016	110.85	85.50	110.90	84.30
June, 2016	134.00	103.80	133.00	103.35
July, 2016	155.00	125.00	147.95	124.10
August, 2016	137.15	104.20	137.50	104.80
September, 2016	124.00	104.00	124.00	103.00
October, 2016	116.45	106.00	116.95	106.00
November, 2016	144.00	103.00	143.95	100.10
December, 2016	133.50	110.10	133.30	112.20
January, 2017	178.30	117.20	178.60	117.50
February, 2017	173.00	129.00	172.70	127.80
March, 2017	177.70	147.00	177.70	146.20

Share Performance of the Company in comparison to NSE Nifty



Share Performance of the Company in comparison to BSE Sensex



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k) Share Price Performance in comparison to broad based indices - BSE Sensex & NSE Nifty as on March 31, 2017

Particulars	March 31, 2016	March 31, 2017	Changes in %
Panacea Biotec's Share Price (closing) at BSE	92.80	160.70	73.17
BSE Sensex Closing Price	25,341.86	29,620.50	16.88
Panacea Biotec's Share Price (closing) at NSE	92.00	161.30	75.33
NIFTY Closing Price	7,738.40	9,173.75	18.55

l) 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.

m) Share Transfer System

The authority for transfer, transmission, transposition and dematerialisation of the Company's shares has been delegated to the Company Secretary. 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 shares received by the Company/ RTA for registration of transfers, transmission, transposition and dematerialisation is 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 Listing Regulations, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

n) Nomination Facility

Pursuant to Section 72 of the Act, members are entitled to make a nomination in respect of shares held by them. 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 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.

o) Share Certificates in respect of sub-divided Shares

After the sub-division of the Company's Equity Shares of Rs.10 each into 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 certificates 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 certificates 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.

p) 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.

q) Reconciliation Audit of Share Capital

A Practicing Company Secretary carries out reconciliation audit of share capital in each quarter to reconcile the total admitted capital with National Securities Depository Limited ("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 2016-17, has been filed with Stock Exchanges within one month of end of the respective quarter.

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r) Distribution of Shareholding as on March 31, 2017

i) Equity Shares

Category (Amount) From - To	Shareholders		Equity Shares held	
	Number	% of total no. of Shareholders	Number	% of Shareholding
Upto 2,500	9,610	97.18	23,51,627	3.84
2,501-5,000	154	1.56	5,59,975	0.91
5,001-10,000	51	0.52	3,73,096	0.61
10,001-20,000	23	0.23	3,21,937	0.53
20,001-30,000	14	0.14	3,39,501	0.55
30,001-40,000	0	0.00	0	0.00
40,001-50,000	5	0.05	2,30,584	0.38
50,001-1,00,000	5	0.05	3,64,272	0.59
1,00,001 and above	27	0.27	5,67,09,754	92.59
Total	9,889	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

s) Pattern of Shareholding as on March 31, 2017

i) Equity Shares

S. No.	Category	No. of Shareholders	No. of Shares	Percentage
1.	Promoters and Promoter Group	21	45,692,567	74.60
2.	Institutional Investors (FIIs, Banks & Mutual Funds)	3	22,250	0.04
3.	NRIs / OCB / Foreign Corporate Bodies/ Foreign Portfolio Investors	195	1,764,043	2.88
4.	Domestic Companies	277	9,630,831	15.72
5.	Indian Public/ Trust/ PMS/ Others	9,392	4,141,055	6.76
	Total	9,888	61,250,746	100.00

ii) Preference Shares

S. No.	Category	No. of Shareholders	No. of Shares	Percentage
1.	Promoters and Promoter Group	3	1,63,00,000	100.00
	Total	3	1,63,00,000	100.00

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t) 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.

u) 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, 2017, 99.31% of the Company's total Equity Share Capital representing 60,830,235 Equity Shares were held in dematerialized form and only 4,20,511 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.

v) 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.

w) Plant Locations

1. Pharmaceuticals Formulations and Oncology facilities at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India
2. Vaccines Formulations facility at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India
3. Bulk Vaccines facilities at Samalheri, Ambala-Chandigarh Highway, Lalru-140501, Dist. Mohali (S.A.S. Nagar), Punjab, India

x) 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 : +91-11-26812682-83, 64732681-88 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, +91-11-41578011 (D) Fax : +91-11-41679066, 41679070 E-mail : devendergupta@panaceabiotec.com

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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 Listing Regulations during the financial year 2016-17 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 Listing 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 promoters, the directors or the management, their subsidiaries or 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. 32 of the Notes to the Financial Statements for the year ended March 31, 2017 forming part of the Annual Report.

In accordance with Regulation 23 of SEBI Listing 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: http://www.panacea-biotec.com/partnerzone/policyonrelatedpartytransactions.pdf

b) Compliances by the Company

During the last three years, there were no strictures or penalties 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.

c) Vigil Mechanism

The Company promotes ethical behaviour 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 Whistle Blower Policy in the Company in pursuance of Regulation 22 of SEBI Listing 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: http://www.panacea-biotec.com/partnerzone/VigilMechanismWhsitleBlowerPolicy.pdf

d) 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 Listing 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 at:http://www.panacea-biotec.com/partnerzone/PolicyfordeterminingmaterialSubsidiary.pdf

As on March 31, 2017, Radhika Heights Limited and NewRise Healthcare Private Limited were the material non-listed Indian subsidiaries of the Company as their net worth (i.e. paid-up capital and free reserves) exceeded 20% of the consolidated net worth of the Company. The Company's independent directors, Mr. R. L. Narasimhan and Mr. N. N. Khamitkar acted as directors on the Board of Radhika Heights Limited and Mr. K. M. Lal and Mrs. Manjula Upadhyay acted as directors on the Board of NewRise Healthcare Private Limited during the financial year 2016-17.

As on March 31, 2017, the Company held 88.8% of total equity stake in its subsidiary, NewRise Healthcare Pvt. Ltd. During April 2017, the Company acquired the remaining equity shares from the minority shareholders therein as per the existing shareholders agreement with them and subsequently sold the entire 100% equity stake to Narayana Hrudayalaya Ltd. for an enterprise value of Rs.1,800.0 million.

The Audit Committee of the Company reviewed the financial statements, in particular the investments made by 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.

e) Disclosure of Accounting Treatment

There has not been any change in accounting treatment of the Company during the year.

f) 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.

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 Listing 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 Listing Regulations for the financial year ended March 31, 2017.

b) Non-mandatory requirements

The status on the compliance with the non-mandatory recommendations/ discretionary requirements as specified in Part E of Schedule II in SEBI Listing Regulations is as under:

i) Shareholders' rights: The quarterly/ half-yearly 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 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

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Centre, respectively. The results are not separately circulated to the shareholders.

ii) Separate posts of Chairman and CEO: The Company has appointed separate persons to the posts of Chairman and the Managing Director.

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

iv) Prohibition of Insider Trading: The Company has instituted a comprehensive Code of Conduct for its management, staff and relevant business associates, in compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015 which is available on the website of the Company viz. 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 Listing Regulations:

Regulation No.	Particulars	Compliance Status (Yes or No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	N.A.
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiaries	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

13. CEO/CFO Certification

The Joint Managing Director and Chief Financial Officer & Head Information Technology have certified, in terms of Part B of Schedule II of SEBI Listing Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards. The said certification of the Financial Statements and the Cash Flow Statement for the financial year 2016-17 is enclosed as **Annexure - II** to this Report.

For Panacea Biotec Limited

Place : New Delhi
Dated : May 30, 2017

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, 2017.

For Panacea Biotec Limited

Place : New Delhi
Dated : May 30, 2017

Dr. Rajesh Jain
Joint Managing Director

Annexure - II

Certificate from Joint 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, 2017 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 : May 30, 2017

Devender Gupta
Chief Financial Officer &
Head Information Technology

Dr. Rajesh Jain
Joint Managing Director

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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 2017, 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 Listing Regulations, 2015").

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 Listing Regulations, 2015 during the year ended on 31st March 2017.

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 : May 30, 2017

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Independent Auditors' Report

To the Members of Panacea Biotec Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Panacea Biotec Limited('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended,and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (as amended). This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to the following notes to the standalone financial statements:

   a) Note 50 to the standalone financial statements regarding capital advances amounting to Rs.176.8 million given to a real estate developer for acquiring certain immovable properties in Dubai where the Company has initiated legal recourse.

   b) Note 47 to the standalone financial statements regarding the revocation of loan restructuring facility by one of the lender of the Company, which may result in reinstatement of the outstanding loan liability as per the original term of the loan agreement after adjusting the payments made till date.

   c) Note 44 to the standalone financial statements regarding payment of managerial remuneration for the financial years ended March 31, 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.74.7 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.74.7 million as recoverable from the directors towards such excess remuneration paid. The Company is also in the process of filing applications with Central Government for waiver of recovery of such excess remuneration paid.

   d) Note 45 to the standalone financial statements which indicates that the Company has incurred a net loss (before exceptional items) of Rs.487.1 million during the year ended March 31, 2017 and as of that date, the Company's current liabilities exceeded its current assets by Rs.1,793.7 million. These conditions along

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with other matters as set forth in aforesaid note and (b) above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern:

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 qualified in respect of these matters

Report on Other Legal and Regulatory Requirements

10. 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.

11. 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 the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

   e. the matters described in paragraph 9 above, in our opinion, may have an adverse effect on the functioning of the Company;

   f. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

   g. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 30, 2017 as per Annexure B expressed an unqualified opinion; and

   h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company, as detailed in Note 28 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

      iv. the company, as detailed in Note 53 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

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

per Anupam Kumar
Partner
Membership No.: 501531

Place : New Delhi
Date : May 30, 2017

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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 fixed assets.

b) The Company has a regular program of physical verification of its fixed assets under which fixed assets 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 fixed assets were verified during the year and no material discrepancies were noticed on such verification.

c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') 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, though there has been a slight delay in a few cases. 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:

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	3,294.9	-	Assessment Year 2006-07 to 2012-13	Income Tax Appellate Tribunal (ITAT)
The Finance Act, 1994	Demand raised for service tax by Assessing Officer	72.6	9.8	Financial Year 2003-04 to 2011-12	Custom Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Duty levied on exempted goods	4.0	4.0	Financial Year 2001-02	Custom Excise & Service Tax Appellate Tribunal

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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:

Loan Particulars	Amount of default (Rs. in million)	Period of default (Days)
Indian Overseas Bank – Term Loan	16.5	27
State Bank of India – Term Loan - I	12.0	24
State Bank of India – Term Loan – I	13.2	18
State Bank of India – Term Loan – II	6.1	24
State Bank of India – Term Loan – II	6.5	19
Edelweiss Asset Reconstruction Company Limited – Term Loan I	37.5	27
Edelweiss Asset Reconstruction Company Limited – Term Loan II	4.7	21
Canara Bank – Working Capital Term Loan ("WCTL")	0.3	21
State Bank of India –WCTL	9.1	21
Bank of India – WCTL	1.0	21
Union Bank of India – WCTL	0.7	28
Indian Overseas Bank – WCTL	0.7	24
Canara Bank – Funded Interest Term Loan ("FITL")	0.2	21
State Bank of India – FITL	11.4	21
Bank of India – FITL	2.9	21
Union Bank of India – FITL	0.5	28
Indian Overseas Bank – FITL	4.1	27
Department of Science & Technology	2.5	9
Biotechnology Industrial Research Assistance Council	8.4	24

ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

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 44 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 for the years ended March 31, 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 2017 (Rs. in million)	Steps taken to secure the recovery of the amount	Remarks (if any)#
1.	Managing/Joint Managing and Whole Time Director	14.3	14.3	Company is in process of filing applications 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	Company is in process of filing applications for waiver of recovery of excess remuneration paid	Remuneration pertains to year ended March 31, 2014
3.	Whole Time Director	2.6	2.6	Company is in the process of filing representation for approval of remuneration	Remuneration pertains to year ended March 31, 2016
4.	Managing/Joint Managing and Whole Time Director	43.0	43.0	Company is in the process of filing representations for approval of remuneration	Remuneration pertains to year ended March 31, 2017

#The Company has recorded a receivable amounting to Rs.74.7 million as recoverable from the relevant directors.

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Annexure To the Auditors' Report

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 accounting standards.

xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

per Anupam Kumar
Partner
Membership No.: 501531

Place : New Delhi
Date : May 30, 2017

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Annexure B

Independent Auditor's 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 of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of 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 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 the 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 included 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 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 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 internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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

per Anupam Kumar
Partner
Membership No.: 501531

Place : New Delhi
Date : May 30, 2017

Panacea Biotec
Innovation in support of life

Balance Sheet
As at March 31, 2017

(Rs. in million)

	Note No.	**As at March 31, 2017**		As at March 31, 2016	
Equity and Liabilities					
Shareholders' funds					
Share capital	3	224.3		224.3	
Reserves and surplus	4	4,420.9	4,645.2	5,176.0	5,400.3
Non-current liabilities					
Long term borrowings	5	7,060.5		7,788.8	
Deferred tax liabilities (Net)	6	-		-	
Other long term liabilities	8	-		3.4	
Long term provisions	7	171.9	7,232.4	141.8	7,934.0
Current liabilities					
Short-term borrowings	9	2,196.4		2,182.5	
Trade payables	10				
Payable to micro and small enterprises		32.1		20.0	
Other payables		2,235.5		1,715.0	
Other current liabilities	10	1,404.3		808.8	
Short-term provisions	7	14.5	5,882.8	13.7	4,740.0
Total			17,760.4		18,074.3
Assets					
Non-current assets					
Fixed assets	11				
Tangible assets		9,308.3		9,761.9	
Intangible assets		59.4		113.9	
Capital work-in-progress		59.7		86.5	
Intangible assets under development		217.1	9,644.5	103.6	10,065.9
Non-current investments	12		3,448.8		3,946.6
Long-term loans and advances	13		576.6		645.2
Other non-current assets	17		1.5		5.5
			13,671.4		14,663.2
Current assets					
Current investments	12		56.7		-
Inventories	14		1,394.6		1,365.7
Trade receivables	15		1,764.8		1,422.1
Cash and bank balances	16		71.0		93.2
Short-term loans and advances	13		752.3		476.6
Other current assets	17		49.6		53.5
			4,089.0		3,411.1
Total			17,760.4		18,074.3
Summary of significant accounting policies	2.1				

The accompanying notes 1 to 55 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

For and on behalf of Board of Directors of Panacea Biotec Limited

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint 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, 2017

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Statement of Profit and Loss

For the Year ended March 31, 2017

(Rs. in million)

		Note No.	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
Income						
Revenue from operations (net)		18	5,300.9		6,469.0	
Other income		19	523.3		255.6	
	Total (a)			5,824.2		6,724.6
Expenses						
Cost of raw and packing material consumed		20	1,570.2		1,688.2	
Purchases of traded goods		21	216.2		240.2	
Change in inventories of:		21				
Finished goods			(46.5)		(89.2)	
Work-in-progress			(35.8)		319.9	
Stock in trade			(15.7)		(15.6)	
Employee benefits expense		22	1,333.8		1,398.0	
Finance costs		24	1,014.4		1,150.0	
Depreciation and amortisation expense		25	657.1		713.2	
Other expenses		23	1,592.9		1,802.4	
	Total (b)			6,286.6		7,207.1
Profit/(Loss) before exceptional items and tax	(a-b)			(462.4)		(482.5)
Exceptional items	(c)	26		(375.4)		496.5
Profit/(Loss) before tax	(a-b) + (c)			(837.8)		14.0
Tax expense						
Current tax						
Current year			-		-	
Earlier year			-		15.1	
Less: MAT credit adjustment/ (entitlement)			24.7		(9.8)	
Total tax expense				24.7		5.3
Profit/(Loss) for the year				(862.5)		8.7
Earning per equity share of Re.1 each:						
Basic earning per equity share (in Rs.)		27		(14.07)		0.14
Diluted earning per equity share (in Rs.)		27		(14.07)		0.14
Summary of significant accounting policies		2.1				

The accompanying notes 1 to 55 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

For and on behalf of Board of Directors of Panacea Biotec Limited

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint 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, 2017

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Cash Flow Statement

Annexed to Balance Sheet for the Year ended March 31, 2017

(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Cash flow from operating activities				
Profit / (Loss) before tax		(837.8)		14.0
Adjustment to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	657.1		713.2	
Provision for doubtful debts and advances	66.0		56.0	
Intangible assets under development provided /written off	3.2		27.3	
Bad debts written off	-		0.7	
(Profit)/ Loss on sale/discard of fixed assets (net)	0.6		(1.7)	
Lease hold improvement written off	-		7.9	
Loss on sale of export incentives	3.2		3.5	
Unrealized foreign exchange loss/(gain) (net)	70.8		82.2	
Liabilities/ provisions no longer required written back	(293.3)		(47.7)	
Gain on settlement & restructuring of debt	(75.5)		(496.5)	
Provision for impairment of investment in subsidiary	450.9		-	
Interest expense	975.9		1,087.5	
Interest income	(84.5)		(98.3)	
Dividend income	(0.0)		(0.0)	
		1,774.4		1,334.1
Operating profit before working capital changes		936.6		1,348.1
Movements in working capital				
Decrease/(Increase) in trade receivables	(340.7)		(393.4)	
Decrease/(Increase) in inventories	(9.9)		43.3	
Decrease/(Increase) in other current assets	1.2		(7.7)	
Decrease/(Increase) in short-term loans and advances	(207.7)		(189.3)	
Decrease/(Increase) in long-term loans and advances	(20.0)		77.8	
Increase/(Decrease) in trade payables	671.3		(128.8)	
Increase/(Decrease) in other current liabilities	22.7		22.3	
Increase/(Decrease) in other long-term liabilities	(3.4)		(3.6)	
Increase/(Decrease) in short-term provisions	0.8		(22.8)	
Increase/(Decrease) in long-term provisions	30.2		25.0	
		144.5		(577.2)
Cash generated from operations		1,081.1		770.9
Direct taxes (paid)/ refunds, net		77.5		207.6
Net cash generated from operating activities (A)		1,158.6		978.5
Cash flow from investing activities				
Purchase of tangible fixed assets, including CWIP, capital advances and creditors for capital goods	(88.2)		(64.2)	
Purchase of intangible assets, including intangible assets under development	(220.7)		(17.8)	
Investments in bank deposits having original maturity of more than three months	(9.0)		244.7	
Investment in shares of subsidiary	(9.8)		-	
Proceeds from sale of tangible fixed assets	2.1		57.1	
Proceeds from interest received	3.8		7.6	
Proceeds from dividends received	0.0		0.0	
Net cash generated from/ (used in) from investing activities (B)		(321.8)		227.4
Cash flow from financing activities				
Proceeds from short-term borrowings	780.7		465.7	
Repayment of short-term borrowings	(609.6)		(757.0)	
Repayment of long-term borrowings	(164.8)		(386.2)	
Interest paid	(878.3)		(609.4)	
Net cash generated from/ (used in) financing activities (C)		(872.0)		(1,286.9)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(35.2)		(81.0)
Effect of exchange differences on cash and cash equivalents held in foreign currency		-		0.1
Cash and cash equivalents at the beginning of the year		60.2		141.3
Cash and cash equivalents at the end of the year (refer note 16)		25.0		60.2

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of Board of Directors of Panacea Biotec Limited

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
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Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : May 30, 2017

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1. Corporate information

Panacea Biotec Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on both BSE Limited and National Stock Exchange of India Limited. The Company is one of India's leading research based health management companies engaged in the business of research, development, manufacture and marketing of branded pharmaceutical formulations and vaccines.

2. Basis of Preparation

The financial statements have been prepared on going concern basis under the historical cost basis, in accordance with the generally accepted accounting principles in India and in compliance with the applicable accounting standards ("AS") as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Companies Act, 2013.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets ('Property, plant and equipment')

Tangible fixed assets, except land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Revalued assets (land and buildings) are measured at fair value on the revaluation date less accumulated depreciation and impairment losses, if any, recognised after the date of the revaluation. In case of revaluation of tangible fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit and loss, in which case the increase is recognised in the statement of profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. The amount transferred from revaluation reserve to revenue (general) reserve represent the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on its original cost.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates it over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs (MCA) circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from derecognition of tangible fixed assets 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 and loss when the asset is derecognised.

c) Depreciation on tangible fixed assets

Depreciation has been provided on the useful life of its fixed assets as per the useful life prescribed in Schedule II to the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life
Building – Factory	30 Years
Building – Non Factory	60 Years
Plant and machinery	15 Years and 20 Years
Furniture and fittings	10 Years
Vehicles	8 Years
Office equipments	5 Years
Computer equipments	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.

d) Intangibles assets

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.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there is a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition 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 and loss when the asset is derecognised.

Research and development costs: Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Company's intention to complete the asset and use or sell it;
- the Company's ability to use or sell the asset;

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Summary of significant accounting policies and other explanatory information
to the financial statements for the year ended March 31, 2017

- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related asset. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortisation policies applied to the Company's intangible assets is as below:

Intangible Assets	Amortisation Period
Patents, trademarks and designs	- Amortised over a period of 7 years
Product development	- Amortised over a period of 5 years
Technical know-how	- Amortised over a period of 5 years
Software	- Amortised over a period of 5 years
Websites	- Amortised over a period of 2 years

e) Leases

Where the Company is the Lessee:

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the Lessor:

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

f) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

g) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from short term foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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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 respective asset. All other borrowing costs are expensed in the period they occur.

h) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that

i) the Company will comply with the conditions attached to them, and

ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognised at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

i) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution, in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) Inventories

Raw materials, components, stores and spares are valued at lower of cost and 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 tangible assets under "Fixed Asset" and are depreciated prospectively over their remaining useful lives in accordance with Accounting Standards 10 (Revised).

Work-in-progress ("WIP") and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of finished goods and WIP is determined on a weighted average basis.

Traded goods are valued at lower of cost and 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 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.

k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sales of products - Revenue from domestic sale of goods are recognised on dispatch which coincides with transfer of significant risks and rewards to customer. Revenue from export sales is recognised when the significant risks and rewards of ownership of products are transferred to the customer, which is based upon the terms of the applicable contract. Revenue from product sales is stated exclusive of returns, sales tax and applicable trade discounts and allowances. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services- Revenue from contract manufacturing is recognised as and when services are rendered.

Export benefits - Export benefits income is recognised in statement of profit and loss, when right to receive the benefits amount is established as per terms of relevant scheme.

Royalty income - Royalty income is recognised on an accrual basis based on actual sale of product by the licensee and in accordance with the term of the relevant agreement.

Research and license fees income - Research and license fees income is recognised on an accrual basis based on actual completion of activities and in accordance with the terms of the relevant agreement.

Interest income - Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income - Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

l) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed

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Summary of significant accounting policies and other explanatory information
to the financial statements for the year ended March 31, 2017

asset are capitalised and depreciated over the remaining useful life of the asset.

ii) 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.

iii) All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of 1 and 2 above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

m) Retirement and other employee benefits

i) 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 recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. 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.

ii) The Company operates a defined benefit plan for its employees, i.e., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out by using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss. Gratuity fund is administered through Life Insurance Corporation of India.

iii) Accumulated leave, which is expected to be utilised 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.

iv) The Company 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.

n) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period.

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, if any.

p) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

q) Segment reporting policies

i) Identification of segments:

Primary segment

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The identified segments are Vaccines, Formulations and Research & Development activities.

Secondary segment

Geographical segment: The analysis of geographical segment is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Revenue from domestic market includes sales to customers located within India.
- Revenue from overseas market includes sales to customers located outside India.

ii) Allocation of common costs: Common allocable costs are allocated to each segment on a rational basis based on nature of each such common cost.

iii) Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

iv) Segmental accounting policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

r) Cash & cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Direct expenditure incurred during construction period is capitalised as part of the direct construction cost to the extent to which the expenditure is directly related to construction.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
3. Share Capital		
a) Authorised shares		
i. 125,000,000 (Previous year 125,000,000) equity shares of Re.1 each	125.0	125.0
ii. 110,000,000 (Previous year 110,000,000) preference shares of Rs.10 each	1,100.0	1,100.0
	1,225.0	1,225.0
b) Issued, subscribed and fully paid up shares		
61,250,746 (Previous year 61,250,746) equity shares of Re.1 each	61.3	61.3
16,300,000 (Previous year 16,300,000) 0.5% cumulative non convertible and non participating redeemable preference shares of Rs.10 each	163.0	163.0
	224.3	224.3

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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) Terms/right 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 have been issued for a period of 10 years with an option with the Company as well as preference shareholders for early redemption of preference shares, provided CDR debts are fully serviced and the Company comes out from purview of CDR system. 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.

e) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting financial year:

(Rs. in million)

	As at March 31, 2017		As at March 31, 2016	
	No.	Amount	No.	Amount
At the beginning of the year	61,250,746	61.3	61,250,746	61.3
Change during the year	-	-	-	-
Outstanding at the end of the year	61,250,746	61.3	61,250,746	61.3

f) Reconciliation of 0.5% cumulative non convertible and non participating redeemable preference shares outstanding at the beginning and at the end of the reporting financial year:

(Rs. in million)

	As at March 31, 2017		As at March 31, 2016	
	No.	Amount	No.	Amount
At the beginning of the year	16,300,000	163.0	16,300,000	163.0
Change during the year	-	-	-	-
Outstanding at the end of the year	16,300,000	163.0	16,300,000	163.0

g) Aggregate number of equity/preference shares bought back, bonus share and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	2016-17	2015-16	2014-15	2013-14	2012-13
Bonus shares	-	-	-	-	-
Preference shares issued for consideration other than cash by conversion of loan	-	-	16,300,000	-	-
Equity shares bought back by the Company	-	-	-	-	-
Total	-	-	16,300,000	-	-

h) Detail of equity shareholders holding more than 5% of equity share capital in the Company:

	As at March 31, 2017		As at March 31, 2016	
Name of persons	No.	% age of holding	No.	% age of holding
Mr. Soshil Kumar Jain	5,000,000	8.16%	5,000,000	8.16%
Mr. Ravinder Jain	5,712,300	9.33%	5,712,300	9.33%
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%
Ravinder Jain (HUF)	4,135,000	6.75%	4,135,000	6.75%
Rajesh Jain (HUF)	4,368,500	7.13%	4,368,500	7.13%
Sandeep Jain (HUF)	4,105,000	6.70%	4,105,000	6.70%
Serum Institute of India Pvt. Ltd.	8,932,632	14.58%	8,932,632	14.58%

i) Detail of preference shareholders holding more than 5% of 0.5% cumulative non convertible and non participating redeemable preference share capital:

	As at March 31, 2017		As at March 31, 2016	
Name of persons	No.	% age of holding	No.	% age of 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.

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(Rs. in million)

	As at March 31, 2017		As at March 31, 2016	
4. Reserves and Surplus				
Capital reserve				
Balance as per the last financial statements		6.1		6.1
Capital redemption reserve				
Balance as per the last financial statements		1,022.3		1,022.3
Securities premium				
Balance as per the last financial statements		897.0		897.0
Revaluation reserve				
Balance as per the last financial statements (refer note 2.1 (b))	4,100.9		4,100.9	
Transfer to General Reserve	(133.3)	3,967.6	-	4,100.9
Foreign currency monetary item translation difference account				
Balance as per the last financial statements (refer note 48)	(207.7)		(202.2)	
Add: Exchange differences accumulated during the year	35.0		(94.0)	
Less: Exchange differences amortised during the year	72.4	(100.3)	88.5	(207.7)
General reserve				
Balance as per the last financial statements	364.9		364.9	
Transfer from Revaluation Reserve	133.3	498.2	-	364.9
Surplus/ (Deficit) in the statement of profit and loss				
Balance as per the last financial statements	(1,007.5)		(1,016.2)	
Profit/(Loss) for the year	(862.5)	(1,870.0)	8.7	(1,007.5)
		4,420.9		5,176.0

(Rs. in million)

	Non-current portion as at		Current maturities as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
5. Long Term Borrowings				
Term loans				
Foreign currency term loans from banks (secured)				
Bank of India (refer sub note A and B)	1,081.0	1,656.5	540.5	-
Indian rupee term loans from banks (secured) (refer sub note A and B)				
Indian Overseas Bank	915.0	950.4	47.5	37.5
State Bank of India [loan - I]	1,400.1	1,464.1	76.0	48.0
State Bank of India [loan - II]	704.6	737.1	38.6	24.4
Indian rupee working capital term loans from banks (secured)(refer sub note A and B)				
Axis Bank Ltd.	4.4	4.6	0.2	0.2
Bank of India	53.5	55.9	3.1	1.8
Canara Bank	33.4	34.9	1.7	1.4
IDBI Bank Ltd.	15.8	16.5	0.7	0.5
Indian Overseas Bank	42.0	44.2	1.9	1.4
State Bank of India	523.2	546.1	27.2	17.1
Union Bank of India	40.7	42.5	2.1	1.7
Indian rupee funded interest term loans from banks (secured)(refer sub note A and B)				
Axis Bank Ltd.	3.0	3.1	0.1	0.1
Bank of India	132.2	139.9	9.7	5.7
Canara Bank	20.5	21.2	0.9	0.8
IDBI Bank Ltd.	10.8	11.4	0.5	0.4
Indian Overseas Bank	226.0	237.9	11.1	9.3
State Bank of India	622.5	652.9	35.8	22.6
Union Bank of India	24.4	25.3	1.5	1.2
Indian rupee other term loans				
Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer sub note C (1) and (2))	61.0	78.0	24.0	7.0
Department of Science & Technology ("DST") (unsecured) (refer sub note C (4))	8.0	10.0	2.0	2.0
Edelweiss Asset Reconstruction Company Limited [loan I] (secured) (refer sub note A (5))	1,005.8	1,050.7	53.3	33.7
Edelweiss Asset Reconstruction Company Limited [loan II] (secured) (refer sub note A (6))	129.8	-	7.0	-
Technology Development Board ("TDB") (secured) (refer sub note C (3))	2.8	5.6	2.8	2.8
	7,060.5	7,788.8	888.2	219.6
The above amount includes				
Secured borrowings	7,052.5	7,778.8	886.2	217.6
Unsecured borrowings	8.0	10.0	2.0	2.0
Amount disclosed under the head "Other current liabilities" in note 10.	-	-	(888.2)	(219.6)
	7,060.5	7,788.8	-	-

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Summary of significant accounting policies and other explanatory information
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Notes :

A. Loans under Corporate Debt Restructuring (CDR) (refer note 46)
   1. All the long-term loans and sustainable working capital borrowings from 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. The Company had executed Master Restructuring Agreement (MRA)/other definitive documents with all lender banks, except State Bank of Travancore ("SBT"), on December 27, 2014 with Cut Off Date of October 01, 2013. Under the CDR package, the Company is entitled to reliefs and concessions granted by the banks, effective from the Cut Off Date.
   3. Key terms of restructuring of the long-term loans are as under:
      i. Tenure: Door to Door 10 Years.
      ii. Additional moratorium of 2 years and 2 months from Cut Off Date.
      iii. Repayment of loans: 32 structured quarterly installments starting from quarter ending December 2015 till quarter ending September 2023. However, first installment was payable on November 30, 2015 instead of December 31, 2015.
      iv. Interest rate: 11% p.a. (floating), linked to base rates of respective Lenders from October 1, 2013 to September 30, 2018, thereafter rate of interest will increase to 13% p.a. linked to base rate of respective lenders w.e.f. October 1, 2018.
      v. Interest obligations aggregating Rs.1,156.4 million on (i) restructured long-term loans and the foreign currency term loan from Bank of India for a period of 24 months from Cut Off Date; and (ii) sustainable working capital borrowings for a period of 12 months from Cut Off Date, were converted into Funded Interest Term Loan (FITL).
      vi. The dues aggregating to Rs.842.8 million in the working capital borrowings as on the Cut Off Date were converted into Working Capital Term Loan (WCTL).
   4. The foreign currency term loan (ECB) from Bank of India of US$ 25.0 million is repayable in three equal yearly installments commencing from financial year 2017-18 onwards.
   5. During financial year 2015-16, SBT had assigned all the rights, title and interest in the entire outstanding dues owed by the Company together with all the underlying securities and guarantees, comprising its Rupee term loan and sustainable working capital along with all accrued interest thereon, in favour of Edelweiss Asset Reconstruction Company Limited ("EARC") (refer note 46 & 47). These loans were part of CDR. EARC had restructured the entire outstanding of Rs.1,649.5 million for an aggregate principal amount of Rs.1,153.0 million. As a result of restructuring of repayment of interest and principal, total liability of Rs.1,900.0 million shall be repaid as per the following terms:
      i. Cut Off date January 01, 2016
      ii. Principal payment of Rs.30.5 million to be paid on or before January 31, 2016
      iii. Balance principal amount of Rs.1,122.5 million shall be repaid in 29 structured quarterly installments commencing from the quarter ending March 31, 2016 till the quarter ending March 31, 2023
      iv. Interest rate shall be 11% p.a. up to September 30, 2018 and 13% p.a. thereafter up to March 31, 2023, payable on quarterly rests along with principal installments.
   6. During financial year 2015-16, State Bank of Mysore ("SBM") had absolutely assigned all the rights, title and interests in financial assistance granted to the Company, during the year, with all the underlying rights, benefits and obligations in favour of EARC vide assignment agreement dated February 26, 2016. (refer note 46 & 47). These loans were part of CDR. EARC had restructured the entire outstanding of Rs.166.9 million for an aggregate principal amount of Rs.140.0 million. As a result of restructuring of repayment of interest and principal, total liability of Rs.223.3 million shall be repaid as per the following terms:
      i. Cut Off date February 26, 2016
      ii. Principal amount of Rs.140.0 million shall be repaid in 28 structured quarterly installments commencing from the quarter ending June 30, 2016 till the quarter ending March 31, 2023
      iii. Interest rate shall be 11% p.a., payable on quarterly rests along with principal installments.

B. Securities for the long-term 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 are currently pending.
   4. The long-term loans and working capital facilities from SBI 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 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 Biswas situated at Village Samelheri, Tehsil Dera Bassi, District S.A.S. Nagar (Mohali), Punjab;
      ii. All parcels of land admeasuring 93 Bighas, 12 Biswas and 10 Biswasi situated at Village Samelheri, Sub Registrar Derabassi, District Patiala, Punjab;

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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), kitat 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: 14,15,20 52, 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: (refer note 46)

1. Rupee term loan from BIRAC for H1N1 project, with amount outstanding of Rs.70.0 million (previous year Rs.70.0 million), was rescheduled in the previous year. It is repayable in ten equal half-yearly installments commencing from March 31, 2017. This loan is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.
2. Rupee term loan from BIRAC for Streptococcus project, with amount outstanding of Rs.15.0 million (previous year Rs.15.0 million), is repayable in ten equal half-yearly installments 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. Rupee term loan from TDB of Rs. 5.6 million (previous year Rs. 8.4 million), is for specific project and is repayable in nine equal half-yearly installments commencing from January 2015 and is secured by way of first pari-passu charge (i) on the whole of the moveable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future except book debts; and (ii) mortgage of immovable properties of the Company being land admeasuring 1011.11 sq. yards, situated at Plot no. 37, Sector 21-A, Urban Estate Faridabad, Haryana. The loan is also collaterally secured by personal guarantees of the two promoter directors of the Company, viz. Dr. Rajesh Jain and Mr. Sandeep Jain. This loan has been repaid in full along with accrued interest on May 01, 2017.
4. The unsecured rupee term loan from DST of Rs.10 million (previous year Rs.12 million), is for specific project and is repayable in ten equal annual installments commencing from September 2012.

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
6. Deferred tax liabilities (Net)		
Deferred tax liabilities relating to		
Differences in depreciation and amortisation in block of fixed assets as per Income Tax Act and books of accounts	907.2	819.9
Capital expenditure on research and development	74.4	20.4
	981.6	840.3
Deferred tax assets relating to		
Effect of expenditure debited to statement of profit and loss but allowed for tax purposes on payment basis	467.6	519.8
Effect of unabsorbed business loss and depreciation*	467.9	301.2
Others	46.1	19.3
	981.6	840.3
Net deferred tax liabilities	-	-

* The deferred tax assets on unabsorbed business loss and depreciation have been recognised only to the extent of deferred tax liabilities on account of lack of virtual certainty as required by the Accounting Standard-22 "Accounting for Taxes on Income".

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(Rs. in million)

	Long-term as at		Short-term as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
7. Provisions				
Provision for employees benefits				
Provision for gratuity (refer note 43)	72.5	50.9	-	-
Provision for compensated absences	99.4	90.9	14.5	13.7
	171.9	141.8	14.5	13.7

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
8. Other long term liabilities		
Income received in advance	-	3.4
	-	3.4
9. Short term borrowings		
Cash credits from banks (secured) (refer note 5(A)(6) & 5(B)(2))	1,443.5	1,383.8
Buyers' credit from banks (secured) (refer note 5(B)(2))	211.3	243.6
Loans from related parties (unsecured) (refer note 32 & 46)	464.5	450.1
Loans from bodies corporate (unsecured)(refer note 46)	77.1	105.0
	2,196.4	2,182.5
The above amount includes		
Secured borrowings	1,654.8	1,627.4
Unsecured borrowings	541.6	555.1
	2,196.4	2,182.5

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
10. Other current liabilities		
Trade payables		
Micro enterprises and small enterprises (Refer note 30 for details)	32.1	20.0
Other payables	2,235.5	1,715.0
	2,267.6	1,735.0
Other liabilities		
Current maturities of long term borrowings (refer note 5)	888.2	219.6
Interest accrued but not due on borrowings	9.6	8.0
Interest accrued and due on borrowings (refer note 46)	231.7	327.0
Advances from customers	107.7	124.1
Income received in advance	0.8	3.6
Sundry deposits	77.7	68.8
Statutory dues	53.2	47.1
Provision for excise duty on inventory of finished goods	18.9	-
Book overdraft	16.3	-
Unpaid dividend on equity shares (Amount will be credited as and when due to Investor Education and Protection Fund.)	0.2	0.2
Payables for capital goods	-	10.4
	1,404.3	808.8

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11. Fixed Assets

Tangible Assets

(Rs. in million)

Description	Land - freehold	Land - leasehold	Buildings	Leasehold improvement	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
Cost or Valuation										
At April 01, 2015	2,370.7	291.8	4,156.7	92.3	6,716.5	357.1	131.9	226.8	189.6	14,533.4
Additions	-	-	0.6	-	23.3	-	5.2	1.6	7.7	38.4
Disposals/Transfer	-	-	31.5	92.3	38.9	11.6	16.1	2.3	2.4	195.1
At March 31, 2016	2,370.7	291.8	4,125.8	-	6,700.9	345.5	121.0	226.1	194.9	14,376.7
Additions	-	-	24.1	-	87.0	0.1	-	1.1	3.4	115.7
Disposals/Transfer	-	-	-	-	2.7	1.7	10.5	2.8	2.8	20.5
At March 31, 2017	2,370.7	291.8	4,149.9	-	6,785.2	343.9	110.5	224.4	195.5	14,471.9
Depreciation										
At April 01, 2015	-	13.2	547.8	84.4	2,738.4	265.4	99.0	208.1	179.2	4,135.5
Charge for the year	-	4.0	97.5	-	426.6	21.8	8.9	3.9	2.1	564.8
Deduction during the year	-	-	2.5	84.4	16.9	10.8	12.7	2.1	2.4	131.8
Exchange Differences	-	-	4.1	-	39.3	1.0	-	1.9	-	46.3
At March 31, 2016	-	17.2	646.9	-	3,187.4	277.4	95.2	211.8	178.9	4,614.8
Charge for the year	-	4.0	97.3	-	392.7	15.9	7.0	1.8	3.5	522.2
Deduction during the year	-	-	-	-	1.8	1.6	9.1	2.6	2.7	17.8
Exchange Differences	-	-	4.1	-	39.0	1.0	-	0.3	-	44.4
At March 31, 2017	-	21.2	748.3	-	3,617.3	292.7	93.1	211.3	179.7	5,163.6
Net Block										
At March 31, 2016	2,370.7	274.6	3,478.9	-	3,513.5	68.1	25.8	14.3	16.0	9,761.9
At March 31, 2017	2,370.7	270.6	3,401.6	-	3,167.9	51.2	17.4	13.1	15.8	9,308.3
Capital work-in-progress										
At March 31, 2016										86.5
At March 31, 2017										59.7

Notes :

1. Plant and equipment includes plant and machinery amounting to Rs.1.3 million (previous year Rs.2.0 million) (net block) lying with third parties.

Intangible Assets

(Rs. in million)

Description	Patent, Trademark & Copyrights	Softwares	Websites	Product Development	Total
Cost or Valuation					
At April 01, 2015	67.5	223.4	9.2	487.7	787.8
Additions	6.6	10.5	-	-	17.1
At March 31, 2016	74.1	233.9	9.2	487.7	804.9
Additions	0.2	2.8	-	32.9	35.9
At March 31, 2017	74.3	236.7	9.2	520.6	840.8
Depreciation					
At April 01, 2015	64.4	193.0	9.2	322.3	588.9
Charge for the year	2.5	16.5	-	83.1	102.1
At March 31, 2016	66.9	209.5	9.2	405.4	691.0
Charge for the year	1.8	9.0	-	79.6	90.4
At March 31, 2017	68.7	218.5	9.2	485.0	781.4
Net Block					
At March 31, 2016	7.2	24.4	-	82.3	113.9
At March 31, 2017	5.6	18.2	-	35.6	59.4
Intangible assets under development					
At March 31, 2016					103.6
At March 31, 2017					217.1

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Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2017

(Rs. in million)

		As at March 31, 2017		As at March 31, 2016
12. Investments				
(A) Non-current				
Trade - Unquoted (valued at cost unless stated otherwise) equity instruments				
Investment in subsidiaries:				
a) 4,776,319 (Previous year 4,776,319) equity shares of Re.1 each fully paid up in Radhika Heights Limited	3,385.6		3,385.6	
b) 7,459,516 (Previous year 7,343,516) equity shares of Rs.10 each fully paid up in NewRise Healthcare Private Limited (refer note 52)	-		497.8	
c) 1,000 (Previous year 1,000) equity shares of US $ 0.01 each fully paid up in Rees Investments Limited	0.0		0.0	
d) 6,000 (Previous year 6,000) equity shares of CHF100 each fully paid up in Panacea Biotec (International) S.A. Switzerland.	34.4		34.4	
		3,420.0		3,917.8
Investment in Joint Ventures :				
a) 2,295,910 (Previous year 2,295,910) equity shares of Rs.10 each fully paid up in Chiron Panacea Vaccines Private Limited (under liquidation)	23.0		23.0	
b) 90,000 (Previous year 90,000) equity shares of Rs.10 each fully paid up in Adveta Power Private Limited	0.9		0.9	
		23.9		23.9
Investment in Associates :				
a) 419,767 (Previous year 419,767) equity shares of Rs.10 each fully paid in PanEra Biotec Private Limited		4.2		4.2
Non Trade - Unquoted (valued at cost unless stated otherwise) equity instruments				
a) 20,250 (Previous year 20,250) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited	0.2		0.2	
b) 50,000 (Previous year 50,000) equity shares of Rs.10 each fully paid up in Mohali Green Environment Private Limited	0.5	0.7	0.5	0.7
(A)		3,448.8		3,946.6
(B) Current				
Trade - Unquoted (valued at cost unless stated otherwise) equity instruments				
Investment in subsidiaries:				
7,459,516 (Previous year 7,343,516) equity shares of Rs.10 each, fully paid up in NewRise Healthcare Private Limited (refer note 52)	507.6		-	
Less : Provision for impairment	(450.9)		-	
(B)		56.7		-
Total (A+B)		3,505.5		3,946.6
Aggregate amount of unquoted investments		3,505.5		3,946.6

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Summary of significant accounting policies and other explanatory information
to the financial statements for the year ended March 31, 2017

(Rs. in million)

		Non-current as at		Current as at	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
13. Loans and Advances					
Capital advances (Unsecured, considered good) (refer note 50)	(a)	184.9	185.6	-	-
Security deposits (Unsecured, considered good)	(b)	9.9	11.6	15.3	15.1
Loans and advances to related parties (refer note 32)					
Unsecured, considered doubtful					
Loans		264.8	734.8	536.0	-
		264.8	734.8	536.0	-
Less: Provision for doubtful loans and advances (refer note 49)		(264.8)	(734.8)	(536.0)	-
	(c)	-	-	-	-
Advances recoverable in cash or in kind					
Unsecured, considered good		-	-	545.5	318.0
Unsecured, considered doubtful		-	-	39.8	36.5
		-	-	585.3	354.5
Less : Provision for doubtful advances		-	-	(39.8)	(36.5)
	(d)	-	-	545.5	318.0
Other loan and advances					
Unsecured, considered good					
Balance with government authorities					
Balance with excise and custom etc.		25.6	24.5	72.4	95.9
Others		23.5	-	-	-
Prepaid expenses		4.0	7.0	31.2	32.7
Staff loans and advances		-	-	87.9	14.9
Advance income tax (Net of provision of Rs.1,701.9 million (Previous year Rs.1,701.9 million))		9.9	73.1	-	-
MAT credit entitlement (refer note 51)		343.4	343.4	-	-
		406.5	448.0	191.5	143.5
Less: Provision for impairment of MAT credit entitlement (refer note 51)		(24.7)	-	-	-
	(e)	381.8	448.0	191.5	143.5
Total (a)+(b)+(c)+(d)+(e)		576.6	645.2	752.3	476.6

(Rs. in million)

		As at March 31, 2017	As at March 31, 2016
14. Inventories (valued at lower of cost or net realizable value)			
Raw materials (including packing materials)		647.7	689.8
Work-in-progress		149.5	113.7
Finished goods		416.3	369.8
Traded goods		68.4	52.7
Stores and spares		112.7	139.7
		1,394.6	1,365.7
15. Trade Receivables			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		258.8	329.5
Unsecured, considered doubtful		83.5	109.7
		342.3	439.2
Less : Provision for doubtful receivables		(83.5)	(109.7)
	(a)	258.8	329.5
Other receivables			
Unsecured, considered good		1,506.0	1,092.6
Unsecured, considered doubtful		-	-
		1,506.0	1,092.6
Less : Provision for doubtful receivables		-	-
	(b)	1,506.0	1,092.6
	Total (a)+(b)	1,764.8	1,422.1

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Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2017

(Rs. in million)

	Non-current as at		Current as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
16. Cash and Bank Balances				
Cash and cash equivalents				
Balances with banks				
Current accounts	-	-	24.7	51.2
Exchange earner foreign currency accounts	-	-	0.2	6.1
Cash on hand	-	-	0.1	2.9
(a)	-	-	25.0	60.2
Other bank balances*				
Unpaid dividend accounts**	-	-	0.2	0.2
Deposits with original maturity for more than 12 months	1.5	5.5	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	45.8	32.8
(b)	1.5	5.5	46.0	33.0
Amount disclosed under "note 17-Other assets".	(1.5)	(5.5)	-	-
Total (a)+(b)	-	-	71.0	93.2

*Fixed deposits amounting to Rs.47.3 million (Previous year Rs.38.3 million) are pledged with banks and various Government authorities for tender, bank guarantee, margin money etc.

**Not available for use by the company as these represent corresponding unpaid/unclaimed dividend liabilities.

(Rs. in million)

	Non-current as at		Current as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
17. Other Assets				
Unsecured, considered good unless stated otherwise				
Export benefits receivable	-	-	48.5	52.7
Interest accrued on deposits	-	-	1.1	0.8
Bank balances (refer note 16)	1.5	5.5	-	-
	1.5	5.5	49.6	53.5

(Rs. in million)

	For the year ended March 31, 2017	For the year ended March 31, 2016
18. Revenue From Operations		
Sales of products		
Finished goods	4,698.6	5,585.7
Traded goods	459.6	543.2
Sale of services		
Contract manufacturing	61.0	71.3
Other operating revenue		
Export benefits	74.3	90.3
Research and license fees	107.8	140.3
Royalty	35.1	34.7
Scrap sale	3.9	7.1
	5,440.3	6,472.6
Less: Excise duty paid on sales	139.4	3.6
Revenue from operations (Net)	5,300.9	6,469.0
Details of product sold		
Finished goods		
Formulations	3,094.4	3,116.1
Vaccines	1,604.2	2,469.6
	4,698.6	5,585.7
Traded goods		
Formulations	459.6	543.2
	459.6	543.2

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(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
19. Other Income				
Interest income on				
Banks deposits		2.0		3.4
Loans given to subsidiaries		66.0		56.0
Income tax refund		14.3		37.1
Others		2.2		1.8
Dividend income on:				
Investments		0.0		0.0
Excess provision written back		293.3		47.6
Lease rent		68.9		85.8
Miscellaneous		76.6		23.9
		523.3		255.6
20. Cost of Raw and Packing Material Consumed				
Inventory at the beginning of the year	689.8		525.5	
Add : Purchases during the year	1,528.1		1,852.5	
	2,217.9		2,378.0	
Less : Inventory at the end of the year	647.7	1,570.2	689.8	1,688.2
Raw and packing material consumed		1,570.2		1,688.2
Details of raw and packing material consumed				
Formulations				
Active pharmaceutical ingredients	591.9		641.2	
Excipients	111.2		98.2	
Packing materials	114.9		131.2	
		818.0		870.6
Vaccines				
Bulk vaccine/Antigens	592.2		707.1	
Excipients	19.7		20.7	
Packing materials	140.3		89.8	
		752.2		817.6
		1,570.2		1,688.2
Details of inventories of raw and packing material at the end of year				
Formulations				
Active pharmaceutical ingredients	177.8		164.4	
Excipients	65.2		69.7	
Packing materials	60.9		50.4	
		303.9		284.5
Vaccines				
Bulk and Antigens	289.1		364.6	
Excipients	2.7		2.1	
Packing materials	52.0		38.6	
		343.8		405.3
		647.7		689.8

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Summary of significant accounting policies and other explanatory information
to the financial statements for the year ended March 31, 2017

(Rs. in million)

	For the year ended March 31, 2017	For the year ended March 31, 2016
21. (Increase)/Decrease in Inventories		
Inventories at the end of the year		
Finished goods	416.3	369.8
Traded goods	68.4	52.7
Work in progress	149.5	113.7
	634.2	536.2
Inventories at the beginning of the year		
Finished goods	369.8	280.6
Traded goods	52.7	37.1
Work in progress	113.7	433.6
	536.2	751.3
(Increase) /Decrease in inventories	(98.0)	215.1
Detail of purchase of traded goods		
Formulations	216.2	240.2
Detail of inventories at the end of the year		
Finished goods		
Formulations	183.8	150.4
Vaccines	232.5	219.4
	416.3	369.8
Traded goods		
Formulations	68.4	52.7
	68.4	52.7
Work in progress		
Formulations	59.2	67.7
Vaccines	90.3	46.0
	149.5	113.7

(Rs. in million)

	For the year ended March 31, 2017	For the year ended March 31, 2016
22. Employee Benefits Expense		
Salary, wages and bonus (refer note 44)	1,165.6	1,229.8
Contractual wages	52.0	58.0
Contribution to provident and other funds (refer note 43)	47.0	44.8
Staff welfare expenses	38.9	49.1
Gratuity expenses (refer note 43)	30.3	16.3
	1,333.8	1,398.0
23. Other Expenses		
Advertising and sales promotion	213.6	258.9
Analytical testing and trial	49.2	42.1
Bad debts and advances written off	-	0.7
Commission on sales	61.9	91.3
Contract manufacturing	14.9	29.3
Consumption of stores and spares	149.9	164.4
Directors' sitting fees	1.2	1.5
Freight and forwarding	91.9	87.7
Insurance	40.2	39.2
Intangible assets under development provided for	3.2	27.3
Leasehold improvement written off	-	7.9
Legal and professional**	77.4	138.4
Loss on sale of fixed assets (net)	0.6	-
Meetings and conferences	16.2	25.8
Net loss on foreign currency transactions and translations	81.6	81.4
Payment to auditors*	6.1	6.7
Postage and communication	36.0	38.6
Power and fuel	280.8	243.8
Printing and stationery	11.6	12.6

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Summary of significant accounting policies and other explanatory information
to the financial statements for the year ended March 31, 2017

(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Provision for doubtful debts and advances		66.0		56.0
Rates and taxes		49.2		37.2
Rent		19.7		33.1
Repair and maintenance :				
Buildings	15.5		47.7	
Plant and machinery	44.1		36.2	
Others	46.4	106.0	32.8	116.7
Royalty		2.7		12.4
Security		26.2		29.3
Staff training and recruitment		16.4		15.2
Subscription		9.5		10.5
Travelling and conveyance		102.7		120.1
Vehicle running and maintenance		25.0		26.1
Miscellaneous		33.2		48.2
		1,592.9		1,802.4
*Payment to auditors#				
As auditor				
- Audit fee		2.6		2.6
- Limited reviews fee		2.4		2.4
In other capacity				
- Certification and other matters		0.3		1.3
- Reimbursement of out of pocket expenses		0.4		0.4
Total		5.7		6.7
#Excludes service tax				
**includes following :				
Tax audit fee		0.2		0.2
Cost audit fee		0.1		0.1
Secretarial audit fee		0.2		0.2
24. Finance Costs				
Interest expenses		975.9		1,087.5
Bank charges (including prior period expenses Nil (Previous years Rs.3.3 million))		32.2		50.2
Exchange differences to the extent considered as an adjustment to borrowing cost		6.3		12.3
		1,014.4		1,150.0
25. Depreciation and Amortisation Expense				
Depreciation of tangible fixed assets		566.6		611.1
Amortisation of intangible assets		90.5		102.1
		657.1		713.2
26. Exceptional Items				
Gain on settlement & restructuring of debt (refer note 5A(5) and note 5A(6))		75.5		496.5
Provision for impairment of investment in subsidiary (refer note 52)		(450.9)		-
		(375.4)		496.5
27. Earning Per Share				
Profit /(Loss) for the year (Rs. in million)		(862.5)		8.7
Weighted average number of equity shares used in calculating basic and diluted earning per share (numbers)		61,250,746		61,250,746
Basic earnings per equity share (in Rs.)		(14.08)		0.14
Diluted earnings per equity share (in Rs.)		(14.08)		0.14
Nominal value per equity share (in Re.)		1.00		1.00

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Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2017

28 i) Contingent Liabilities (to the extent not provided for)

(Rs. in million)

Particulars	As at March 31 , 2017	As at March 31 , 2016
Disputed demands/show-cause notices under:-		
a) Income tax cases (refer note (a) (i) & (a) (ii)) below)	3,457.1	3,457.1
b) Customs duty cases (refer note (b) below)	4.0	4.0
c) Service tax (refer note (c) & (d) below)	72.6	72.6
Total	3,533.7	3,533.7
Labour cases (in view of large number of cases, it is impracticable to disclose each case)	1.7	1.7

Notes:

a) i) Includes income tax demand of Rs.162.2 million in respect to AY 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 Years 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax Department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs.3,294.9 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 AY 2010-11 & AY 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.

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.4.0 million and the matter is pending before Hon'ble 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 the FY 2003-04 to FY 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 Company believes that it has merit in its case, hence no provision is required.

d) In respect of service tax demands for the FY 2008-09 to FY 2010-11, service tax department has disallowed CENVAT Credit of input services availed and distributed by the Company as input service distributor. The case is currently pending with CESTAT. The Company believes that it has merit in its case, hence no provision is required.

ii) 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 million against these vaccines. The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOH&FW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. While the arbitral proceedings are on, the Company believes that the entire amount in respect of above supplies (after adjusting the AMC amount) including the amount of expired stock and applicable interest thereon is recoverable and no interest is payable on the said AMC amount. Based on legal advice, no adjustment in respect of the expired stock and the interest amount has been made in the financial statements.

29. 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 , 2017	As at March 31 , 2016
Fixed Assets	24.6	80.8

b) Other commitments :

i) Export commitments of Rs.1,331.4 million (Previous year Rs.983.6 million) under advance licenses schemes.

ii) The Company has received financial assistance in the form of soft loan under various projects from Department of Biotechnology and Department of Science & Technology respectively. As per the terms of related agreements, the Company is also required to incur expenditure in form of monetary contribution to the relevant project. Further, the Company has to repay these loans as per terms of respective agreement. The amount of commitment is not quantifiable.

iii) The Company had executed an agreement dated January 01, 2014, with other shareholders of its subsidiary company, viz. NewRise Healthcare Private Limited to acquire the remaining stake in the said subsidiary company, subject to certain conditions. During the year, the Company purchased part of these shares at an aggregate value of Rs.9.8 million. As per the terms of the agreement, the Company was required to pay further amount of Rs.79.7 million towards purchase of balance shares. The Company has purchased the said balance shares also on April 19, 2017.

iv) For commitments relating to lease arrangements, refer note 35.

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30. Details of dues to micro & small enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]

(Rs. in million)

Particulars	**As at March 31, 2017**		As at March 31, 2016	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	32.1	5.9*	20.0	6.3*
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	33.8	-	57.5	5.2
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	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	5.9*	-	16.7*
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	-	-	-	10.4

* Included in "Other Payable" in note 10.

31. 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 , 2017**	As at March 31 , 2016
a)	Loans to wholly owned subsidiaries (including accrued interest) (refer note 49)		
	i) Rees Investments Limited	536.0	734.8
	ii) Panacea Biotec (International) SA	61.6	-
	iii) Panacea Biotec Germany GmbH	203.2	-
	Maximum amount due at any time during the year	800.8	734.8
b)	Advance paid against purchase of materials to associate		
	PanEra Biotec Private Limited	418.2	248.7
c)	Provision for doubtful advances on above loan and interest receivable	800.8	734.8

32. Related Party Disclosures

A. Names of related parties and related party relationships

i) Parties where control exists

Subsidiaries:
- Radhika Heights Limited ("RHL") (Wholly-owned subsidiary ("WOS"))
- 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"), Guernsey (WOS)
- Kelisia Holdings Limited ("KHL"), Cyprus (IWOS through Rees) (liquidated on January 04, 2017)
- Panacea Biotec (International) SA ("PBS"), Switzerland (WOS)
- Panacea Biotec Germany GmbH ("PBGG"), Germany (IWOS through PBS)
- Panacea Biotec GmbH, Germany (WOS) (liquidated on March 7, 2016)
- NewRise Healthcare Private Limited ("NewRise"), (Subsidiary until April 18, 2017, WOS during April 19 and April 20, 2017) (refer note 52)

ii) Other related parties with whom transactions have taken place during the year

a) Joint Ventures:
- Adveta Power Private Limited ("Adveta")
- Chiron Panacea Vaccines Private Limited ("CPV") (Under liquidation) (refer note 36 (c))

b) Associates:
- PanEra Biotec Private Limited ("PanEra")

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c) Key Management Personnel:
- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- Mr. Ravinder Jain - Managing Director
- Dr. Rajesh Jain - Joint Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- 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

(d) 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 Mr. Ravinder Jain
- Mrs. Radhika Jain, daughter of Mr. Ravinder Jain
- Mrs. Shilpy Jain, wife of Mr. Sumit Jain
- Mr. Harshet Jain, son of Dr. Rajesh Jain

(e) 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. Detail of transactions with subsidiaries, associates and joint ventures companies:

(Rs. in million)

S. No.	Particulars	Subsidiaries		Associate		Joint Ventures	
		March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
I)	**Transactions made during the year**						
1	Purchase of raw materials						
	PanEra	-	-	309.9	478.4	-	-
2	Sale of goods/ materials						
	PanEra	-	-	-	6.1	-	-
	PBGG	3.7	1.9	-	-	-	-
3	Sale Return						
	PBGG	3.1	11.2	-	-	-	-
4	Recovery of expenses						
	PanEra	-	-	71.3	80.2	-	-
	NewRise	-	0.4	-	-	-	-
	RHL	6.0	-	-	-	-	-
5	Reimbursement of expenses						
	PBGG	3.8	8.0	-	-	-	-
6	Rent paid/ provided						
	RHL	9.2	9.1	-	-	-	-
7	Rent received						
	PanEra	-	-	75.9	95.1	-	-
	CPV	-	-	-	-	0.4	0.4
	NewRise	0.1	0.1	-	-	-	-
	RHL	0.6	0.5	-	-	-	-
8	Interest income						
	Rees (refer note 49)	60.3	56.0	-	-	-	-
	PBS (refer note 49)	1.3	-	-	-	-	-
	PBGG (refer note 49)	4.3	-	-	-	-	-
9	Interest expenses on loans						
	RHL	27.6	27.6	-	-	-	-
10	Liquidation of investment						
	Panacea Biotec GmbH	-	1.6	-	-	-	-
11	Loans assigned by Rees in favour of the Company and Release of loan receivable from Rees to the extent of above loan assigned (refer note 49):						
	PBS	60.3	-	-	-	-	-
	PBGG	198.9	-	-	-	-	-

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(Rs. in million)

S. No.	Particulars	Subsidiaries		Associate		Joint Ventures	
		March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
II)	**Year end balances**						
1	Investments (refer note 12)						
	RHL	3,385.6	3,385.6	-	-	-	-
	Rees	0.0	0.0	-	-	-	-
	NewRise	507.6	497.8	-	-	-	-
	PBS	34.4	34.4	-	-	-	-
	PanEra	-	-	4.2	4.2	-	-
	CPV	-	-	-	-	23.0	23.0
	Adveta	-	-	-	-	0.9	0.9
2	Outstanding loan receivable (refer note 49)						
	Rees	475.7	678.8	-	-	-	-
	PBS	60.3	-	-	-	-	-
	PBGG	198.9	-	-	-	-	-
3	Outstanding loan payable						
	RHL	289.4	289.4	-	-	-	-
4	Interest accrued receivable						
	Rees	60.3	56.0	-	-	-	-
	PBS	1.3	-	-	-	-	-
	PBGG	4.3	-	-	-	-	-
5	Interest accrued payable						
	RHL	82.7	57.8	-	-	-	-
6	Provision for doubtful loans (including accrued interest)						
	Rees	536.0	734.8	-	-	-	-
	PBS	61.6	-	-	-	-	-
	PBGG	203.2	-	-	-	-	-
7	Outstanding receivable						
	RHL	1.4	0.9	-	-	-	-
	PBGG	57.7	68.7	-	-	-	-
	NewRise	0.8	0.7	-	-	-	-
	PanEra	-	-	321.7	178.8	-	-
	CPV	-	-	-	-	0.1	0.1
8	Outstanding loan and advances, net						
	PanEra	-	-	418.2	248.7	-	-
9	Provision for doubtful receivable						
	PBGG	18.6	42.8	-	-	-	-
10	Outstanding payable						
	PBGG	35.3	31.5	-	-	-	-
	RHL	12.4	16.6	-	-	-	-

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, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
I)	**Transactions made during the year**						
1	Remuneration						
	Mr. Soshil Kumar Jain *	10.5	8.4	-	-	-	-
	Mr. Ravinder Jain*	11.7	11.4	-	-	-	-
	Dr. Rajesh Jain*	7.2	7.6	-	-	-	-
	Mr. Sandeep Jain*	6.5	6.7	-	-	-	-
	Mr. Sumit Jain*	4.4	3.8	-	-	-	-

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(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, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
	Mr. Ankesh Jain*	2.6	1.5				
	Mr. Vinod Goel	4.5	3.7	-	-	-	-
	Mr. Devender Gupta	3.2	2.4	-	-	-	-
	Mr. Shagun Jain	-	-	2.8	2.8	-	-
	Mr. Ashwani Jain	-	-	3.0	3.1	-	-
	Mrs. Shilpy Jain	-	-	0.6	0.6	-	-
	Mrs. Radhika Jain	-	-	1.4	1.4	-	-
	Mr. Harshet Jain	-	-	0.6	0.5	-	-
2	Rent received						
	Neophar	-	-	-	-	0.2	0.2
	Trinidhi	-	-	-	-	0.2	0.2
3	Interest expenses						
	Mr. Soshil Kumar Jain	9.4	8.6	-	-	-	-
	Mr. Ravinder Jain	1.1	1.1	-	-	-	-
	Dr. Rajesh Jain	4.9	4.5	-	-	-	-
	Trinidhi	-	-	-	-	0.3	0.3
4	Interest converted into loan						
	Mr. Soshil Kumar Jain	9.5	-	-	-	-	-
	Dr. Rajesh Jain	5.0	-	-	-	-	-
II)	**Year end balances**						
1	Loan payable						
	Mr. Soshil Kumar Jain	104.8	95.2	-	-	-	-
	Mr. Ravinder Jain	12.7	12.7	-	-	-	-
	Dr. Rajesh Jain	54.6	49.7	-	-	-	-
	Trinidhi	-	-	-	-	3.1	3.1
2	Interest payable						
	Mr. Soshil Kumar Jain	8.5	9.5	-	-	-	-
	Mr. Ravinder Jain	6.8	5.7	-	-	-	-
	Dr. Rajesh Jain	4.4	5.0	-	-	-	-
	Trinidhi	-	-	-	-	0.9	0.7
3	Outstanding receivable						
	Trinidhi	-	-	-	-	0.7	0.4
4	Remuneration Payable						
	Mr. Soshil Kumar Jain *	3.5	0.7	-	-	-	-
	Mr. Ravinder Jain*	3.9	1.0	-	-	-	-
	Dr. Rajesh Jain*	2.4	0.6	-	-	-	-
	Mr. Sandeep Jain*	2.2	0.6	-	-	-	-
	Mr. Sumit Jain*	1.5	0.3	-	-	-	-
	Mr. Ankesh Jain*	0.9	0.1	-	-	-	-
	Mr. Vinod Goel	1.1	0.3	-	-	-	-
	Mr. Devender Gupta	0.8	0.2	-	-	-	-
	Mr. Shagun Jain	-	-	0.7	0.2	-	-
	Mr. Ashwani Jain	-	-	0.8	0.3	-	-
	Mrs. Shilpy Jain	-	-	0.2	-	-	-
	Mrs. Radhika Jain	-	-	0.3	0.1	-	-
	Mr. Harshet Jain	-	-	0.1	-	-	-

*Refer note 44
Note: In respect of personal guarantees given by promoter directors, refer note 5 'Long-term borrowings' and note 9 'Short-term borrowings'. The above transactions are in ordinary course of business.

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33. Particulars of Un-hedged Foreign Currency Exposure

Particulars	Foreign Currency	As at March 31, 2017 Amount in Foreign Currency	As at March 31, 2017 Closing Exchange Rate*	As at March 31, 2017 Amount in Rs. million	As at March 31, 2016 Amount in Foreign Currency	As at March 31, 2016 Closing Exchange Rate*	As at March 31, 2016 Amount in Rs. million
Foreign trade payable	USD	2,971,061	64.86	192.7	2,882,801	66.26	191
	Euro	2,062,853	69.20	142.7	1,456,513	75.39	109.8
	CHF	-	-	-	8,329	63.68	0.5
	GBP	10,512	81.34	0.9	11,664	95.17	1.1
	JPY/100	27,228	59.21	1.6	27,228	59.88	1.6
	SEK	16,820	7.23	0.1	16,820	8.17	0.1
	CAD	14,028	48.74	0.7	6,828	51.01	0.3
	KZT	-	-	-	6,886,660	0.20	1.4
	THB	5,547	1.90	0.0	5,547	1.90	0.0
	RUB	-	-	-	6,020	1.01	0.0
Foreign trade receivable	Euro	4,170,940	69.19	288.6	3,829,499	75.38	288.7
	USD	8,067,471	64.85	523.2	9,417,780	66.25	623.9
Foreign currency loans	USD	28,222,352	64.86	1,830.5	28,676,061	66.26	1,900.1
	CHF	36,000	64.64	2.3	-	-	-
Balance with banks	USD	1,551	64.85	0.1	80,644	66.25	5.3
	Euro	56	69.19	0.0	6,182	75.38	0.5
	KZT	52,110	0.21	0.0	793,347	0.19	0.2
	RUB	80,404	1.15	0.1	113,786	1.00	0.1
Investment in subsidiaries	USD	10	47.62	0.0	10	47.62	0.0
	USD	632,911	54.29	34.4	632,911	54.29	34.4
Loan to subsidiaries	USD	14,988,048	49.03	734.8	14,132,196	48.03	678.8
Interest receivable	USD	988,744	66.72	66.0	855,852	65.42	56.0
Interest accrued but not due	USD	21,184	64.86	1.4	14,705	66.26	1.0
	CHF	79	64.64	0.0	-	-	-
Interest accrued and due	USD	752,109	64.86	48.8	-	-	-

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

34. Segment Information

The primary segment reporting format is determined to be business segments as the Company's risk and rates of return are affected predominantly by differences in the products and services produced and sold. Secondary information is reported geographically between India (domestic) and overseas. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Business segments:

The Company is engaged in the business of research, development, manufacture and marketing of vaccines and pharmaceutical formulations. The Company has products for various therapeutic segments, which include renal disease management, nephrology, oncology, diabetes management and pediatric vaccines.

A. Information about Primary Segments

(Rs. in million)

Particulars	Vaccines		Formulations		Research and Development		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Revenue								
Segment revenue	1,634.2	2,531.8	3,575.5	3,806.5	91.2	130.7	5,300.9	6,469.0
Other income	78.3	94.0	152.1	18.4	41.3	14.4	271.7	126.8
Total	1,712.5	2,625.8	3,727.6	3,824.9	132.5	145.1	5,572.6	6,595.8
Segment result	230.3	666.9	1,180.7	1,092.9	(479.2)	(517.7)	931.8	1,242.1
Unallocated corporate expenses							631.4	703.4
Operating profit/ (loss)							300.4	538.7
Less: Interest and finance charges							1,014.4	1,150.0
Add: Unallocated exceptional items gain/ (loss)							(375.4)	496.5
Add: Other income							251.6	128.8
Less: Income taxes							24.7	5.3
Net profit/ (loss)							(862.5)	8.7

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(Rs. in million)

Other Information	As at		As at		As at		As at	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Segment assets	6,321.2	6,154.0	4,012.4	3,954.9	2,204.9	2,170.7	12,538.5	12,279.6
Unallocated corporate assets							5,221.9	5,794.7
Total assets	6,321.2	6,154.0	4,012.4	3,954.9	2,204.9	2,170.7	17,760.4	18,074.3
Segment liabilities	464.3	382.6	1,598.9	1,270.7	320.8	223.1	2,384.0	1,876.4
Unallocated corporate liabilities							10,731.2	10,797.6
Total liabilities	464.3	382.6	1,598.9	1,270.7	320.8	223.1	13,115.2	12,674.0
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Capital expenditure on:								
Tangible assets	29.1	48.0	57.6	16.5	1.1	0.1	89.0	76.2
Intangible assets	-	-	1.9	1.7	217.9	10.1	220.7	17.8
Depreciation expense*	289.1	299.3	152.1	165.0	103.0	122.4	544.2	586.7
Amortisation expense*	0.0	0.0	0.4	0.1	81.7	87.6	82.1	87.7

* Note: Excluding unallocated depreciation and amortisation.

B. Information about Secondary Segments

a) Revenue as per Geographical Markets:

(Rs. in million)

Segment	Domestic		Overseas	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016
Vaccines	339.8	593.2	1,294.4	1,938.6
Formulations	2,953.4	3,177.7	622.1	628.8
Research and Development	7.4	3.1	83.8	127.6
Total	3,300.6	3,774.0	2,000.3	2,695.0

b) Trade receivables (net) as per geographical markets:

(Rs. in million)

Segment	Domestic		Overseas	
	As at		As at	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016
Vaccines	547.7	194.7	322.8	372.3
Formulations	418.1	367.3	411.0	368.9
Research and Development	8.5	2.2	53.7	115.3
Unallocated	3.0	1.4	-	-
Total	977.3	565.6	787.5	856.5

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

35. Leases

i. For assets given under operating lease agreements:

a) The Company has leased out certain assets situated at Lalru, Punjab on operating lease to its associate, PanEra Biotec Private Limited, the summary of which is as under:

(Rs. in million)

Particulars	Gross Block		Accumulated Depreciation		Depreciation charged to Statement of Profit and Loss	
	As at		As at		For the year ended	
	March 31, 2017	March 31, 2016	**March 31, 2017**	March 31, 2016	**March 31, 2017**	March 31, 2016
Building	340.0	337.8	88.0	77.3	10.7	10.4
Furniture and fittings	41.0	40.9	34.4	32.2	2.3	2.4
Office equipment	21.5	21.8	19.5	20.5	0.1	0.4
Plant and equipments	2,205.8	2,216.0	1,173.3	1,042.7	140.0	148.0
Computer equipments	13.3	13.4	12.6	12.7	0.0	0.0
Total	2,621.6	2,629.9	1,327.8	1,185.4	153.1	161.2

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ii. For assets taken on operating lease agreements:

a) 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 sublease payments expected to be received under non-cancellable subleases at the balance sheet date and no restriction is imposed by lease arrangements.

b) Lease payments for the year are Rs.19.7 million (Previous year Rs.33.1 million).

36. a) The Company's interest in Joint Venture Companies are as follows:

S. No.	Name of the Company	Nature of relationship	Country of Incorporation	**(%) Holding as at March 31, 2017**	(%) Holding as at March 31, 2016
1.	Adveta Power Private Limited	Joint venture	India	50.0	50.0
2.	Chiron Panacea Vaccines Private Limited (under liquidation) (refer note c) below)	Joint venture	India	50.0	50.0

b) Aggregate interest of the Company in assets, liabilities, revenue and expenses in the jointly controlled entities are as follows: (Rs. in million)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Current assets		
Cash and cash equivalents	51.0	49.1
Short-term loans and advances	0.2	0.2
Other current assets	1.0	1.2
Non-current assets		
Capital work-in-progress	13.7	13.6
Intangible assets under development	0.0	0.0
Current liabilities		
Trade payables	0.4	0.7
Other current liabilities	0.0	0.0
Short- term provisions	1.3	1.1

(Rs. in million)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Revenue	3.5	5.0
Employee benefits expense	0.0	0.1
Other expenses	0.8	1.5

c) The Company had entered into "Dissolution of Joint Venture Agreement" dated November 30, 2012 with respect to its Joint Venture Chiron Panacea Vaccines Private Limited, whereby the Joint Venture partners mutually decided for early termination of the Joint Venture Agreement. As per the dissolution agreement, the joint venture agreement between both the partners was terminated w.e.f. January 31, 2013. The liquidation proceedings of the Joint Venture Company are in progress as on March 31, 2017. However, as per the agreement both Joint Venture partners will exercise equal control over the management till the final liquidation of Joint Venture, therefore as per the provisions of Accounting Standard – 27, the Joint Venture Company has been considered as jointly controlled entity for the purpose of preparation of financial statements.

37. Research and development expenditures incurred by the Company during the financial year are mentioned below: (Rs. in million)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Revenue expenditures		
Material consumption	6.1	11.4
Employee benefits expense	193.8	181.8
Other expenses	227.2	259.6
Depreciation and amortisation expense	184.5	210.0
Capital expenditure	219.0	10.2

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38. Value of Imports on CIF basis (on accrual basis)

(Rs. in million)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Raw materials and packing materials	490.6	590.7
Components and spare parts	130.7	28.0
Capital goods	57.9	-

39. Expenditure in Foreign Currency (on accrual basis)

(Rs. in million)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Know-how fees	-	1.1
Interest	101.1	90.5
Legal and professional fees	21.2	44.1
Royalty	1.9	5.8
Other expenses		
- Patents, trademarks and product registration	2.7	3.3
- Advertising and sales promotion	13.1	25.2
- Commission on sales	3.1	23.2
- Rates and taxes	17.4	15.4
- Testing charges	6.0	10.5
- General expenses	9.1	16.7
- Bank charges	0.9	7.4
- Travelling expenses	5.0	4.2
- Others	36.9	58.5

40. Earnings in Foreign Currency (on accrual basis)

(Rs. in million)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
F.O.B. value of exports	1,831.6	2,348.1
Deemed exports	-	154.1
Income from distribution rights	16.7	2.3
Research and license fees	83.8	137.2
Interest income from subsidiary companies	66.0	56.0

41. Value of imported/indigenous raw materials and packing materials consumed

(Rs. in million)

Particulars	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
	Amount	% age	Amount	% age
Indigenous	1,089.1	69.4	1,056.7	62.6
Imported	481.1	30.6	631.5	37.4
Total	1,570.2	100.0	1,688.2	100.0

42. Value of imported/indigenous stores and spares consumed

(Rs. in million)

Particulars	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
	Amount	% age	Amount	% age
Indigenous	138.8	92.6	147.7	89.9
Imported	11.1	7.4	16.7	10.1
Total	149.9	100.0	164.4	100.0

43. Employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on separation from employment at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs.1.0 million (except in case of Managing/ Joint Managing/ Whole time Directors). The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

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Statement of profit and loss:

(Rs. in million)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Current service cost	14.4	13.5
Interest cost on benefit obligation	10.4	10.2
Expected return on plan assets	(6.9)	(8.2)
Net actuarial (gain)/loss recognised in the year on account of return on plan assets	12.4	0.8
Net benefit expense/(income)	30.3	16.3
Actual return on plan assets	(6.1)	(6.7)

Details of Provision for Gratuity:

(Rs. in million)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Defined benefit obligation	148.4	130.0
Fair value of plan assets	75.9	79.1
Net obligation – unfunded	(72.5)	(50.9)

Changes in the present value of the defined benefit obligation for gratuity:

(Rs. in million)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Opening defined benefit obligation	130.0	127.7
Interest cost	10.4	10.2
Current service cost	14.4	13.5
Benefits paid	(17.9)	(20.8)
Actuarial (Gain)/losses on obligation	11.5	(0.6)
Closing defined benefit obligation	148.4	130.0

Changes in the fair value of plan assets for gratuity:

(Rs. in million)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Opening fair value of plan assets	79.1	92.3
Expected return	7.0	8.2
Contributions by employer	6.3	0.7
Benefits paid	(15.6)	(20.5)
Actuarial gain /(losses)	(0.9)	(1.6)
Closing fair value of plan assets	75.9	79.1

Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity:

Particulars	**As at March 31, 2017**	As at March 31, 2016
	%	%
Investments with Insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.
The principal assumptions used in determining obligations for gratuity/ compensated absences are shown below:

Particulars	**As at March 31, 2017**	As at March 31, 2016
	%	%
Discount rate	7.5	8.0
Expected rate of return on plan assets	8.3	8.9
Increase in compensation cost	5.0	5.0
Employee turnover:		
upto 30 years	10	10
above 30 years but upto 44 years	5	5
above 44 years	1	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
Gratuity amount for the current and previous four periods are as follows:

(Rs. in million)

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	148.4	129.9	127.7	115.3	128.2
Plan assets	75.9	79.1	92.3	95.0	100.8
Deficit	72.5	50.8	35.4	20.3	27.4
Experience adjustments on plan liabilities-(Gain)/Loss	(4.7)	0.7	4.6	(28.5)	(21.2)
Experience adjustments on plan assets-(Gain)/Loss	(0.9)	(1.6)	(0.5)	(0.5)	0.4

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(Rs. in million)

Defined Contribution Plan	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Contribution to provident fund and other funds charged to Statement of Profit and Loss	47.0	44.8

The Company expects to contribute Rs.20.8 million (Previous year Rs.22.9 million) to gratuity fund in the next financial year.

44. In view of absence of profits during financial years 2012-13 and 2013-14, total remuneration paid to the Managing/Joint Managing and Whole time Directors had exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 by Rs.29.1 million for the said years. Further, because of non-compliance to one of the conditions of Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration amounting to Rs. 2.6 million paid to a Whole-time Director during the year ended March 31, 2016 and remuneration amounting to Rs.43.0 million paid to six directors (Managing Director, Joint Managing Directors and Whole time Directors) during the year ended March 31, 2017 required approval of the Central Government and the Company had filed the necessary applications in this regard. However, the Company's applications for approval of the aforesaid excess remuneration have not been approved by the Central Government and consequently the Company is required to recover the excess amount thus paid for the said years unless the recovery thereof is waived by the Central Government. For a thorough reconsideration of the matter, the Company has preferred to submit new applications to the Central Government for waiver of recovery of excess remuneration paid in respect of aforesaid financial years and is also in the process of completing the related procedural formalities. Pending the decision of the Central Government, the Company has recorded an amount of Rs.74.7 million as recoverable from such directors towards such excess remuneration paid. Based on Management's assessment and legal advice obtained, the Company is confident of a favorable outcome for its applications.

45. For the year ended March 31, 2017, the Company has incurred a loss of Rs.862.5 million (Previous year profit of Rs.8.7 million) including exceptional loss of Rs.375.4 million (Previous year exceptional gain of Rs.496.5 million). The continuous losses have adversely affected the cash flows of the Company. These conditions, read with note 47, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company has undertaken several measures to mitigate this risk, which include supply to UNICEF/other customers of pentavalent vaccine; initiating supply of oral polio vaccine from Baddi facility, entering into strategic alliances with domestic as well foreign collaborators for supply of products, launch of innovative new products, viz. CABAPAN (Cabazitaxel), tetravalent vaccine Easy four-TT (DTwp-Hib), hexavalent vaccine EasySix™ (DTwP-HepB-Hib-IPV), expediting development of new products and monetization of non-core assets, etc. Based on above measures and continuous efforts to improve the business performance and as explained in note 47, the management believes that it would be able to generate sustainable cash flow, recover and recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and continue as a going concern.

46. On account of continuous losses of the Company, certain delays and defaults, in repayment of loan installments (including interest thereon), have occurred during the year, which are described below.

(Rs. in million)

Loan particulars	Amount of total installment along with interest	Due Date	Paid On
A. Term Loans from banks/ Government Departments			
Indian Overseas Bank- Term Loan	16.5	March 31, 2017	April 27, 2017
State Bank of India- Term Loan – I	12.0	March 31, 2017	April 24, 2017
State Bank of India- Term Loan – I	13.2	March 31, 2017	April 18, 2017
State Bank of India- Term Loan – II	6.1	March 31, 2017	April 24, 2017
State Bank of India- Term Loan – II	6.5	March 31, 2017	April 19, 2017
EARC – Term Loan I	37.5	March 25, 2017	April 21, 2017
EARC – Term Loan II	4.7	March 31, 2017	April 21, 2017
Canara Bank- WCTL	0.3	March 31, 2017	April 21, 2017
State Bank of India- WCTL	9.1	March 31, 2017	April 21, 2017
Bank of India- WCTL	1.0	March 31, 2017	April 21, 2017
Union Bank of India- WCTL	0.7	March 31, 2017	April 28, 2017
Indian Overseas Bank- WCTL	0.7	March 31, 2017	April 24, 2017
Canara Bank- FITL	0.2	March 31, 2017	April 21, 2017
State Bank of India- FITL	11.4	March 31, 2017	April 21, 2017
Bank of India- FITL	2.9	March 31, 2017	April 21, 2017
Union Bank of India- FITL	0.5	March 31, 2017	April 28, 2017
Indian Overseas bank- FITL	4.1	March 31, 2017	April 27, 2017
Loan from Department of Science & Technology	2.5	September 21, 2016	September 30, 2016
Loan From Biotechnology Industrial Research Assistance Council	8.4	March 31, 2017	April 24, 2017
B. Other borrowings			
Loan from Directors - Mr. Ravinder Jain	19.5	June 2014 to March 2017	Not paid in view of CDR conditions
Loan from Radhika Heights Limited	82.7	January 2014-March 2017	Not paid in view of CDR conditions
Loan from Trinidhi Finance Private Limited	0.9	December 2013-March 2017	Not paid in view of CDR conditions

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47. During the financial year 2014-15, the Company was sanctioned a Corporate Debt Restructuring ("CDR") scheme under the CDR mechanism of the Reserve Bank of India ("RBI") after attaining super-majority from its lender banks. The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the Master Restructuring Agreement ("MRA") as per CDR scheme, to the extent agreed with the banks. Completion of certain other terms and conditions are in progress and the management is confident that it will be able to comply with all key conditions of the CDR scheme.

Subsequently, in the financial year 2015-16, State Bank of Travancore ("SBT") and State Bank of Mysore ("SBM") had absolutely assigned all the rights, title and interests in financial assistance granted to the Company, with all the underlying rights, benefits and obligations in favor of Edelweiss Asset Reconstruction Company Limited ("EARC"). EARC restructured the SBT loan during the financial year 2015-16 and also provided 'in principle' approval for restructuring the SBM loan during the financial year 2016-17, which was acted upon by both parties. Pursuant to the said restructuring of the SBM loan, the Company has recorded Rs.75.5 million as an exceptional item during the current year, being the difference between the original loan amount & interest accrued thereon and the restructured amount. Further, during financial year, the Company has paid all its principal installments and interests with respect to the said restructured loans on time except for the installment due in March 2017 that was delayed due to reasons beyond the Company's control. The Company had informed EARC about the delay and sought additional time upto April 30, 2017 to pay the said installment. The aforesaid installment was subsequently paid on April 21, 2017 along with necessary additional interest. However, on April 11, 2017, EARC has sought to revoke the restructuring of the loans assigned to it by SBT and SBM and has claimed to reinstate the dues as per the original outstanding to SBT and SBM. The Company has discussed the matter with EARC as well as made presentations with the CDR Empowered Group ("CDR EG") that the revocation sought by EARC is unjustified and is not in consonance with the CDR guidelines. The matter is currently under consideration at CDR EG. Further, the EARC had informed the total outstanding loan of Rs.1,969.4 million as on March 31, 2017, which in Company's view is inaccurate and misleading and therefore has been disputed by the Company. As per the Company, the outstanding amount of such loans as on March 31, 2017 is Rs.1,227.2 million including accrued interest thereon. Based on the management's internal evaluation, legal advice obtained and discussions in the meeting with CDR EG held on May 25, 2017, the Company believes that outcome of the matter will be in Company's favour and accordingly no adjustments are considered necessary in the books of accounts.

48. During the year ended March 31, 2017, no exchange difference has been capitalised as there were no long term foreign currency monetary items related to acquisition of capital assets. During the financial year 2012-13, the Company exercised the option as per the Companies (Accounting Standards) (Second Amendment) Rules, 2011 whereby, exchange differences related to long term foreign currency monetary items so far as they relate to the acquisition of depreciable capital assets are capitalised or de-capitalised from cost of assets and depreciated over the useful life of the assets. In other cases, such exchange differences are accumulated in a "Foreign currency monetary item translation difference account" and amortised over the balance period of such long term assets/ liabilities. Unamortised balance of "Foreign currency monetary item translation difference account" of Rs.100.2 million (Previous year Rs.207.7 million) as on March 31, 2017 is included in note 4 Reserves and Surplus.

49. As at March 31, 2017, an amount of Rs.536.0 million (Previous year Rs.734.8 million) including interest of Rs.60.3 million (Previous year Rs.56.0 million) was receivable from Company's wholly owned subsidiary viz. 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. Accordingly, the Company had created 'Provision for bad and doubtful advances' on the aforesaid loan balance. 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, during the year the Company has decided to wind up Rees during the current year. Accordingly, in order to achieve the said objective, two set-off and release agreements have been executed on December 31, 2016 among the Company, Rees and the Company's wholly-owned subsidiaries viz. Panacea Biotec (International) SA ("PBS") and Panacea Biotec Germany Gmbh ("PBGG") whereby all the rights and obligations of Rees arising out of the loan agreement between Rees and PBS and between Rees and PBGG, have been assigned and transferred to the Company w.e.f. December 31, 2016. Consequently, the outstanding amounts of its loans of Rs.60.3 million and Rs.198.9 million given by Rees to PBS and PBGG, respectively, as on December 31, 2016 have been assigned in favour of the Company and balance recoverable by the Company from Rees have been reduced to that extent. Subject to necessary regulatory approval. During earlier years, owing to accumulated losses in PBS and PBGG, the aforesaid loans by Rees to PBS and PBGG were also fully provided for in the books of accounts of Rees. Accordingly, the Company has continued to maintain the provision for bad and doubtful advances in respect of the loans receivable (including interest) from Rees, PBS and PBGG.

Further, the process of liquidation of Rees is being initiated and is expected to be completed during financial year 2017-18. Upon such liquidation and after obtaining necessary approvals from Reserve Bank of India, the outstanding balance amount of the loan receivable from Rees shall be written off against the said 'Provision for bad and doubtful advances' already made in the Company's books. Accordingly, there will be no impact of such write off on the Company's profits/losses during the relevant year.

50. 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. ("Developer") for purchase of certain immovable 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. In view of ongoing discussions with the Developer and on the basis of the legal advice obtained, the Company believes that it has valid rights to claim the recovery of the advance paid to the Developer, in the form of either a refund or other properties. The Company believes that the advance given to the Developer is fully realisable as the market value of the properties under discussion is more than the advance given under the original agreement. Accordingly, no adjustments are considered necessary in the books of accounts.

51. As at March 31, 2016, a cumulative amount of Rs.353.4 million recognised by the Company as 'MAT Credit Entitlement' under the head 'Loans and advances' represented that portion of MAT liability,

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Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2017

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. As at March 31, 2017, the management, based on revised estimates of future profitability projections and other factors disclosed under note 45, expects that recoverable amount of MAT is Rs.318.7 million and accordingly has written off Rs.24.7 million as Tax expense.

52. As at March 31, 2017, the Company held 88.8% of total equity stake in its subsidiary, NewRise Healthcare Pvt. Ltd. The same has been reclassified as current investment as at March 31, 2017 since the Company intends to realize these investments with in the next twelve months. During April 2017, the Company had acquired the remaining equity shares from the minority shareholders therein and subsequently sold the entire 100% equity stake to Narayana Hrudayalaya Ltd. for an enterprise value of Rs.1,800.0 million. The Company has considered the net consideration realised in relation to aforesaid transaction as recoverable amount of investment as at March 31, 2017 and consequently recorded an impairment provision of Rs.450.9 million which has been included in exceptional items. (refer note 26).

53. The details of Specified Bank Notes ("SBNs") held and transacted during the period from November 08, 2016 to December 30, 2016 are as provided in the table below:

(Rs. in million)

Particulars	Amount of SBNs	Amount of Other Denomination Notes	Total Amount
Closing cash in hand as on November 8, 2016	2.3	0.3	2.6
(+) Permitted receipts	-	0.0	0.0
(-) Permitted payments	-	0.0	0.0
(-) Amount deposited in Banks	2.3	-	2.3
Closing cash in hand as on December 30, 2016	-	0.4	0.4

54. 0.0 under "Rs. in million" represents amount less than Rs.50,000 and 0.0 under units represents units less than 50,000. Further, the figures shown in the tables may not exactly add up due to rounding off.

55. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of Board of Directors of Panacea Biotec Limited

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Place : New Delhi
Date : May 30, 2017

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

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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)

					As on March 31, 2017					For the year/ period ended March 31, 2017					
S. No.	Name of the Company	Reporting period of the subsidiary, if different from parent	Reporting currency	Exchange rate as on Balance Sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment (except in case of investment in subsidiary)	Turnover (including other income)	Profit/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Share Holding as on March 31, 2017
1	Radhika Heights Ltd.	31.03.2017	INR	1.00	4.8	2,714.1	2,757.0	2,757.0	21.5	41.1	3.1	11.4	(8.3)	-	100%
2	Cabana Construction Pvt. Ltd. *	31.03.2017	INR	1.00	0.1	(2.2)	319.6	319.6	-	-	(0.1)	-	(0.1)	-	100%
3	Cabana Structures Ltd. *	31.03.2017	INR	1.00	0.5	(0.4)	0.1	0.1	-	0.0	(0.1)	0.0	(0.1)	-	100%
4	Nirmala Buildwell Pvt.Ltd.*	31.03.2017	INR	1.00	0.1	(3.8)	298.8	298.8	-	-	(0.6)	-	(0.6)	-	100%
5	Nirmala Organic Farms & Resorts Pvt. Ltd*	31.03.2017	INR	1.00	0.1	7.8	104.1	104.1	-	-	(1.7)	(0.0)	(1.7)	-	100%
6	Radicura Infra Ltd. *	31.03.2017	INR	1.00	2.0	44.7	503.1	503.1	-	-	(1.2)	(0.0)	(1.2)	-	100%
7	Sunanda Infra Ltd. *	31.03.2017	INR	1.00	0.0	(1.6)	222.5	222.5	-	0.0	(0.1)	-	(0.1)	-	100%
8	NewRise Heathcare Pvt Ltd.	31.03.2017	INR	1.00	704.0	(150.8)	1,598.3	1,598.3	-	0.3	(152.7)	0.2	(152.9)	-	88.8%
9	Panacea Biotec (International) SA	31.03.2017	CHF	64.63	38.8	(109.1)	19.2	19.2	-	38.3	(0.9)	0.0	(0.9)	-	100%
10	Rees Investments Ltd.	31.03.2017	US $	64.85	0.0	(693.4)	0.5	0.5	-	876.5	280.7	-	280.7	-	100%
11	Kelisia Holdings Ltd.**$	04.01.2017	Euro	69.19	0.1	(0.1)	-	-	-	0.0	(22.5)	-	(22.5)	-	100%
12	Panacea Biotec (Germany) GmbH***	31.03.2017	Euro	69.19	17.0	(271.9)	90.5	90.5	-	112.1	9.3	-	9.3	-	100%

* Indirect subsidiary through Radhika Heights Ltd.

** Indirect subsidiary through Rees Investments Ltd.

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

$ Kelisia Holding Ltd has been liquidated on January 4, 2017

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 Ventures		Associates
		Adveta Power Pvt. Ltd.	Chiron Panacea Vaccines Pvt. Ltd. (Under Liquidation)	PanEra Biotec Pvt. Ltd.*
1	Latest audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017
2	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	90,000	2,295,910	419,767
	Amount of Investment in Associates/Joint Venture	0.90	22.96	4.20
	Extent of Holding%	50%	50%	50%
3	Description of how there is significant influence	Note-A	Note-A	Note-A
4	Reason why the associate/joint venture is not consolidated	NA	NA	Consolidated by Equity Method
5	Net worth attributable to shareholding as per latest audited Balance Sheet	27.1	101.2	(18.9)
6	Profit/Loss for the year			
i	Considered in Consolidation	-	1.9	(51.0)
ii	Not Considered in Consolidation	-	1.9	(70.1)

Note : A. There is significant influence as the Company holds more than 20% of total share capital.

* Net worth of the company (Panera) is negative more than the Investment, so that Parent consider the same upto the share of its investment.

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Dated : May 30, 2017

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Independent Auditors' Report on the Consolidated Financial Statements

To the Members of Panacea Biotec Limited

Report on the Consolidated Financial Statements

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'), its associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associate and jointly controlled entities are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act,the respective Board of Directors/ management of the companies included in the Group, and its associate companies and jointly controlled companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. 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, associate and jointly controlled entities, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at 31 March 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

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9. Emphasis of Matters

   We draw attention to the following notes to the consolidated financial statements.

   a) Note 44 to the consolidated financial statements regarding capital advances amounting to Rs.176.8 million given to a real estate developer for acquiring certain immovable properties in Dubai where the Holding Company has initiated legal recourse.

   b) Note 42 to the consolidated financial statements regarding the revocation of loan restructuring facility by one of the lenders of the Holding Company, which may result in reinstatement of the outstanding loan liability as per the original term of the loan agreement after adjusting the payments made till date.

   c) Note 39 to the consolidated financial statements regarding payment of managerial remuneration for the financial years ended 31 March 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.74.7 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.74.7 million as recoverable from the directors towards such excess remuneration paid. The Holding Company is also in the process of filing applications with Central Government for waiver of recovery of such excess remuneration paid.

   d) Note 40 to the consolidated financial statements which indicates that the Group has incurred a net loss (before exceptional items) of Rs.720.1 million during the year ended 31 March 2017 and as at that date its accumulated losses amounted to Rs.3,124.6 million. These conditions along with other matters as set forth in aforesaid note and (b) above indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

   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 qualified in respect of these matters.

Other Matters

10. We did not audit the financial statements/financial information of twelve subsidiaries and two jointly controlled entities, whose financial statements/financial information reflect total assets of Rs.4,729.8 million and net assets of Rs.1,720.7 million as at 31 March 2017, total revenues of Rs.147.6 million and net cash outflows amounting to Rs.4.2 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 loss of Rs.51.1 million for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of one associate, 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, associate and jointly controlled entities, 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, associate and jointly controlled entities, 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 matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

11. 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, associate and jointly controlled entities, 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 the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e) The matters described in paragraph 9(b) and 9(d) above, in our opinion, may have an adverse effect on the functioning of the Group;

    f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other

Independent Auditors' Report on the Consolidated Financial Statements

statutory auditors of its subsidiary companies, associate company and jointly controlled companies covered under the Act, none of the directors of the Group companies, its associate company and jointly controlled companies covered under the Act,are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, associate company and jointly controlled companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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, associate and jointly controlled entities:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entities as detailed in Note 28 to the consolidated financial statements.

   ii) The Group, its associate and jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate company and jointly controlled companies covered under the Act; and

   iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary companies, associate company and jointly controlled companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

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

per Anupam Kumar
Partner
Membership No.: 501531

Place : New Delhi
Date : May 30, 2017

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Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

Annexure A

Independent Auditor's 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 the Panacea Biotec Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled companies as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, its associate and its jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate and its jointly controlled entity, which are companies incorporated in India, 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 the Company's 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 IFCoFR of the Holding Company, its subsidiary companies, its associate and its jointly controlled companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (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 included 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 is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate and its jointly controlled companies 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Holding Company, its subsidiary companies, its associate and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 insofar as it relates to eight subsidiary companies and two jointly controlled companies, which are companies incorporated in India, whose financial statements reflect total assets of Rs.4,619.6 million as at 31 March 2017, total revenues of Nil and net cash flows amounting to 0.3 million for the year ended on that date; and one associate company, which is company incorporated in India, in respect of which, the Group's share of net loss of Rs. 51.1 million for the year ended 31 March 2017 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, its associate and its jointly controlled entity, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, associate and its jointly controlled companies, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is 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.

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

per Anupam Kumar
Partner
Membership No.: 501531

Place : New Delhi
Date : May 30, 2017

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Panacea Biotec
Innovation in support of life

Consolidated Balance Sheet

As at March 31, 2017

(Rs. in million)

	Note No.	As at March 31, 2017		As at March 31, 2016	
Equity and liabilities					
Shareholders' funds					
Share capital	3	224.3		224.3	
Reserves and surplus	4	3,749.6	3,973.9	4,261.8	4,486.1
Minority Interest			-		10.8
Non-current liabilities					
Long-term borrowings	5	7,841.4		8,670.8	
Deferred tax liabilities (net)	6	4.6		5.0	
Other long-term liabilities	8	632.8		481.1	
Long-term provisions	7	172.6	8,651.4	142.3	9,299.2
Current liabilities					
Short-term borrowings	9	1,976.3		1,918.2	
Trade payables	10				
Payable to micro enterprises and small enterprises		32.1		20.0	
Other payables		2,360.6		1,858.7	
Other current liabilities	10	1,610.6		936.0	
Short-term provisions	7	15.8	5,995.4	15.1	4,748.0
Total			18,620.7		18,544.1
Assets					
Non-current assets					
Fixed assets	11				
Tangible assets		10,051.8		10,520.8	
Intangible assets		142.1		190.3	
Capital work-in-progress (Refer Note 30)		1,487.2		1,505.9	
Intangible assets under development		217.1	11,898.2	103.6	12,320.6
Non-current investments	12		19.5		51.9
Long-term loans and advances	13		594.5		672.2
Other non-current assets	17		1.7		5.6
			12,513.9		13,050.3
Current assets					
Current investments	12		2.7		35.2
Inventories	14		3,077.8		3,052.4
Trade receivables	15		1,750.8		1,416.7
Cash and bank balances	16		239.0		229.3
Short-term loans and advances	13		984.2		704.2
Other current assets	17		52.3		56.0
			6,106.8		5,493.8
Total			18,620.7		18,544.1
Summary of significant accounting policies	2.1				

The accompanying notes 1 to 51 are an integral part of the financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of Board of Directors of Panacea Biotec Limited

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint 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, 2017

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Consolidated Statement of Profit and Loss

For the Year ended March 31, 2017

(Rs. in million)

		Note No.	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
Revenue						
Revenue from operations (net)		18	5,448.0		6,530.8	
Other income		19	445.5		203.5	
	Total (a)			5,893.5		6,734.3
Expenses						
Cost of raw and packing material consumed		20	1,628.8		1,696.1	
Purchases of traded goods			216.2		240.2	
Changes in inventories of		21				
Finished goods			(43.2)		(82.7)	
Work-in- progress			(35.8)		320.0	
Stock in trade			(15.7)		(15.5)	
Employee benefits expenses		22	1,364.7		1,420.2	
Finance costs		24	1,117.1		1,273.3	
Depreciation and amortisation expense		25	677.0		733.2	
Other expenses (including prior period expense of Nil (previous year Rs.52.1 million))		23	1,627.1		1,835.3	
	Total (b)			6,536.2		7,420.1
Profit/(Loss) before exceptional items and tax	(a-b)			(642.7)		(685.8)
Exceptional item	(c)	26		75.5		496.5
Profit/(Loss) before tax	(a-b) + (c)			(567.2)		(189.3)
Tax expenses						
Current tax						
Current year			13.1		13.8	
Earlier year			(0.1)		5.1	
MAT credit adjustment/ (entitlement)			24.4		0.1	
Deferred income tax (credit)/charge			(0.3)		0.2	
Total tax expenses				37.1		19.2
Profit/(Loss) for the year before share of profit/(loss) from associate and share of minority interest				(604.3)		(208.5)
Add: Share of profit/(loss) in associates				(51.1)		2.2
Less: Share of Minority Interest in loss				10.8		23.4
Profit/(Loss) for the year				(644.6)		(182.9)
Profit/(Loss) attributable to owners of the Company				(644.6)		(182.9)
Minority Interest				10.8		23.4
Earnings per equity share of Re.1 each :						
Basic earnings per equity share (in Rs.)		27		(10.50)		(2.97)
Diluted earnings per equity share (in Rs.)		27		(10.50)		(2.97)
Summary of significant accounting policies		2.1				

The accompanying notes 1 to 51 are an integral part of the 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

For and on behalf of Board of Directors of Panacea Biotec Limited

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Place : New Delhi
Date : May 30, 2017

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Panacea Biotec
Innovation in support of life

Consolidated Cash Flow Statement

Annexed to the Balance Sheet for the Year ended March 31, 2017

(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Cash flow from operating activities				
Profit / (Loss) before tax		(567.2)		(189.3)
Adjustment to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	677.0		733.2	
Provision for doubtful debts and advances	-		0.2	
Prior period adjustment related to investment in associate	-		52.1	
Intangible assets under development provided/ written off	3.2		28.5	
Bad debts written off	-		0.7	
Lease hold improvement written off	-		7.9	
(Profit)/Loss on sale/ discard of fixed assets, net	0.6		(1.8)	
Loss on sale of export incentives	3.3		3.5	
Unrealized foreign exchange loss/(gain) net	92.5		44.8	
Liabilities/ provisions no longer required written back	(271.8)		(41.5)	
Gain on settlement & restructuring of debt	(75.5)		(496.5)	
Interest expenses	1,077.9		1,210.0	
(Gain) /loss on sale of current investment	(0.0)		-	
(Gain) /loss on sale of non-current investment	-		0.1	
Interest income	(26.8)		(51.3)	
Dividend income	(1.6)		(2.4)	
		1,478.7		1,487.5
Operating profit before working capital changes		911.5		1,298.2
Movements in working capital				
Decrease/(Increase) in trade receivables	(318.6)		(412.9)	
Decrease/(Increase) in inventories	(6.6)		49.9	
Decrease/(Increase) in other current assets	1.0		2.5	
Decrease/(Increase) in short-term loans and advances	(217.7)		(178.0)	
Decrease/(Increase) in long-term loans and advances	(5.2)		80.2	
Increase/(Decrease) in trade payables	632.2		(210.0)	
Increase/(Decrease) in other current liabilities	57.3		86.2	
Increase/(Decrease) in other long-term liabilities	(3.4)		(3.6)	
Increase/(Decrease) in long-term provisions	30.4		25.4	
Increase/(Decrease) in short-term provisions	0.7		(22.3)	
		170.1		(582.6)
Cash generated from operations		1,081.6		715.6
Direct taxes (paid)/ refunds, net		(65.0)		191.3
Net cash generated from operating activities (A)		1,146.6		906.9
Cash flow from investing activities				
Purchase of tangible fixed assets, including CWIP, capital advances and creditors for capital goods	(97.9)		(113.2)	
Purchase of intangible assets, including intangible assets under development	(230.5)		-	
Investments in bank deposits having original maturity of more than three months	(9.9)		187.5	
Proceeds from sale of non-current investment	-		0.2	
Purchase of current investments	-		(20.7)	
Proceeds from sale of current investments	13.8		35.1	
Proceeds from Sale of tangible fixed assets	2.3		57.3	
Interest received	12.3		15.8	
Dividends received	1.6		2.4	
Net cash generated from/ (used in) investing activities (B)		(308.3)		164.4
Cash flow from financing activities				
Proceeds from short-term borrowings	828.0		465.7	
Repayment of short-term borrowings	(609.6)		(781.4)	
Repayment of long-term borrowings	(208.9)		(436.9)	
Interest paid	(1,007.1)		(759.0)	
Group's liability towards preference share capital	155.1		337.8	
Net cash used in financing activities (C)		(842.5)		(1,173.8)
Net increase/ (decrease) in cash & cash equivalents (A+B+C)		(4.2)		(102.5)
Effect of exchange differences on cash and cash equivalents held in foreign currency		-		0.1
Cash & cash equivalents at the beginning of the year		97.3		199.7
Cash & cash equivalents at the end of the year (refer note 16)		93.1		97.3

This is the Consolidated Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

For and on behalf of Board of Directors of Panacea Biotec Limited

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint 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, 2017

1) Basis of preparation

The Consolidated Financial Statements relate to Panacea Biotec Limited ('Parent Company' or 'Company'), its Subsidiary Companies, Joint Ventures and Associates (hereinafter collectively referred as the "Group").

The Consolidated Financial Statements (CFS) of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards ("AS") notified under section 133 of the Companies Act, 2013 ("2013 Act"), read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain tangible assets which are being carried at their revalued amounts.

The accounting policies adopted in the preparation of consolidated financial statements have been consistently applied by the Group and are consistent with those of previous year.

2) Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

i. The financial statements of the Parent Company and its Subsidiary Companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses, if any, as per Accounting Standard-21, Consolidated Financial Statements.

ii. Interest in assets, liabilities, income and expenses of the Joint Ventures have been consolidated using proportionate consolidation method. Intragroup balances transactions and unrealised profits/losses have been eliminated to the extent of Company's proportionate share as per Accounting Standard-27, Financial Reporting of interests in Joint Venture.

iii. In case of Associates, where the Company is having a significant influence in decision for operation of business of associates, investment in such associates is accounted for by Equity Method in accordance with Accounting Standard-23, Accounting for Investment in Associates.

iv. The financial statements of the Subsidiary Companies, Joint Ventures and Associates used in the consolidation are drawn for the same period as that of the Parent Company, i.e., year ended March 31, 2016.

v. Minorities' interest in net profit/(loss) of consolidated Subsidiary Companies for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Company. Minorities' share of net assets has been identified and presented in Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Parent Company.

vi. List of Subsidiaries, Joint Ventures and Associates considered for consolidation is as follows:

S.No.	Name of the Company	Nature of relationship	Country of Incorporation	Extent of Holding/ Voting Power (%)	
				As at March 31, 2017	As at March 31, 2016
1	Radhika Heights Limited	Subsidiary	India	100.0	100.0
2	Cabana Construction Private Limited	Indirect Subsidiary*	India	100.0	100.0
3	Cabana Structures Limited	Indirect Subsidiary*	India	100.0	100.0
4	Nirmala Buildwell Private Limited	Indirect Subsidiary*	India	100.0	100.0
5	Nirmala Organic Farms & Resorts Private Limited	Indirect Subsidiary*	India	100.0	100.0
6	Radicura Infra Limited	Indirect Subsidiary*	India	100.0	100.0
7	Sunanda Infra Limited	Indirect Subsidiary*	India	100.0	100.0
8	NewRise Healthcare Private Limited[#]	Subsidiary	India	88.8	87.4
9	Panacea Biotec GmbH[##]	Subsidiary	Germany	-	100.0
10	Rees Investments Limited	Subsidiary	Guernsey	100.0	100.0
11	Kelisia Holdings Limited[†]	Indirect Subsidiary	Cyprus	100.0	100.0
12	Panacea Biotec(International) SA	Subsidiary	Switzerland	100.0	100.0
13	Panacea Biotec Germany GmbH[$]	Indirect Subsidiary	Germany	100.0	100.0
14	Chiron Panacea Vaccines Private Limited (Under liquidation)	Joint Venture**	India	50.0	50.0
15	Adveta Power Private Limited	Joint Venture**	India	50.0	50.0
16	PanEra Biotec Private Limited	Associate	India	50.0	50.0

* Wholly Owned Subsidiary of Radhika Heights Limited
\# In April 2017, the Company acquired the balance equity shares and subsequently sold the entire 100% equity stake to Narayana Hrudayalaya Ltd.
\## Liquidated w.e.f. March 7, 2016
† Wholly Owned Subsidiary of Rees Investments Limited; liquidated w.e.f. January 04, 2017
$ Wholly Owned Subsidiary of Panacea Biotec (International) SA
** Jointly controlled entity

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Summary of significant accounting policies and other explanatory information
to the consolidated financial statements for the year ended March 31, 2017

vii. Goodwill represents the difference between the Parent Company's share in the net worth of the Subsidiary/ Joint Venture Company and the cost of acquisition at the time of making the investment in the Subsidiary / Joint Venture Company. For this purpose, the Parent Company's share of net worth of the Subsidiary/ Joint Venture Company is determined on the basis of the latest financial statements of the Subsidiary/Joint Venture Company prior to acquisition, after making the necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

viii. The Consolidated Financial Statements have been prepared using uniform accounting policies unless otherwise stated for like transactions and other events in similar circumstances and are presented in the same manner as the Parent Company's separate financial statements.

2.1 Summary of significant accounting policies

a) Uses of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible Fixed Assets ('Property, Plant and Equipment')

Tangible fixed assets, except land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Revalued assets (land and buildings) are measured at fair value on the revaluation date less accumulated depreciation and impairment losses, if any, recognised after the date of the revaluation. In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit and loss, in which case the increase is recognised in the statement of profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. The amount transferred from revaluation reserve to revenue (general) reserve represent the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on its original cost.

Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Group adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Company Affairs (MCA) circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from de-recognition of tangible fixed assets 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 and loss when the asset is derecognised.

c) Depreciation on tangible fixed assets

Depreciation has been provided by the Group on the useful life of its fixed assets as per the useful life prescribed in Schedule II to the Companies Act, 2013. Parent company depreciates tangible assets using straight line method. Other companies in the Group use written down value method.

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.

d) Intangibles assets

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.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS - 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition 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 and loss when the asset is derecognised.

Research and development costs - Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the Group's intention to complete the asset and use or sell it;
- the Group's ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be

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carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related asset. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortisation policies applied to the Group's intangible assets is as below:

Patents, trademarks and designs	- Amortised over a period of 7 years
Product development	- Amortised over a period of 5 years
Technical know-how	- Amortised over a period of 5 years
Software	- Amortised over a period of 5 years
Websites	- Amortised over a period of 2 years
Goodwill	- Amortised over a period of 10 years

e) Leases

Where the Group is the Lessee:

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the 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 as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the Lessor:

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

f) Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

g) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from short term foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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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 respective asset. All other borrowing costs are expensed in the period they occur.

h) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that

i) the Group will comply with the conditions attached to them, and

ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognised at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

i) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution, in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable 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.

Work-in-progress ("WIP") and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and cost of finished goods and WIP is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase. Cost is determined on a weighted average basis.

Net realizable 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.

k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sales of products- Revenue from domestic sale of goods is recognised on dispatch which coincides with transfer of significant risks and rewards to the customer. Revenue from export sales is recognised when the significant risks and rewards of ownership of products are transferred to the customer, which is based upon the terms of the applicable contract. Revenue from product sales is stated exclusive of returns, sales tax and applicable trade discounts and allowances. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services-Revenue from contract manufacturing is recognised as and when services are rendered.

Export benefits– Export benefits income is recognised in statement of profit and loss, when right to receive the benefits amount is established as per terms of relevant scheme.

Royalty income - Royalty income is recognised 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 recognised on an accrual basis based on actual completion of activities and in accordance with the terms of the relevant agreement.

Interest income - Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income - Dividend income is recognised when the Group's right to receive dividend is established by the reporting date.

l) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are restated in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction

Conversion

Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

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i. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.

ii. 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.

iii. All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of (i) and (ii) above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

m) Retirement and other employee benefits

i. 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 recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. 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.

ii. The Group operates a defined benefit plan for its employees, i.e., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out by using the projected unit credit method. Actuarial gains and losses for defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss. Gratuity fund is administered through Life Insurance Corporation of India.

iii. Accumulated leave, which is expected to be utilised 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.

iv. 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.

n) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative

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Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period.

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, if any.

p) Provisions

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

q) Segment reporting policies

i) Identification of Segments:

Primary Segment

Business segment: The Group's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The identified segments are Vaccines, Formulations, Research and Development, healthcare and real estate activities.

Secondary Segment

Geographical segment: The analysis of geographical segment is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Revenue from domestic market includes sales to customers located within India.
- Revenue from overseas market includes sales to customers located outside India.

ii) Allocation of common costs: Common allocable costs are allocated to each segment on a rational basis based on nature of each such common cost.

iii) Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

iv) Segmental accounting policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

r) Cash & cash equivalent

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

s) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Direct expenditure incurred during construction period is capitalised as part of the direct construction cost to the extent to which the expenditure is directly related to construction.

t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
3. Share Capital		
a) Authorised Shares		
i. 125,000,000 (Previous year 125,000,000) equity shares of Re.1 each	125.0	125.0
ii. 110,000,000 (Previous year 110,000,000) preference shares of Rs.10 each	1,100.0	1,100.0
	1,225.0	1,225.0
b) Issued, subscribed and fully paid up shares		
61,250,746 (Previous year 61,250,746) equity shares of Re.1 each	61.3	61.3
16,300,000 (Previous year 16,300,000) 0.5% cumulative non convertible and non participating redeemable preference shares of Rs.10 each	163.0	163.0
	224.3	224.3

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) Terms/right 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 have been issued for a period of 10 years with an option with the Company as well as preference shareholders for early redemption of preference shares, provided CDR debts are fully serviced and the Company comes out from purview of CDR system. 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.

e) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting financial year:

(Rs. in million)

	As at March 31, 2017		As at March 31, 2016	
	No.	Amount	No.	Amount
At the beginning of the year	61,250,746	61.3	61,250,746	61.3
Change during the year	-	-	-	-
Outstanding at the end of the year	61,250,746	61.3	61,250,746	61.3

f) Reconciliation of 0.5% cumulative non convertible and non participating redeemable preference shares outstanding at the beginning and at the end of the reporting financial year:

(Rs. in million)

	As at March 31, 2017		As at March 31, 2016	
	No.	Amount	No.	Amount
At the beginning of the year	16,300,000	163.0	16,300,000	163.0
Change during the year	-	-	-	-
Outstanding at the end of the year	16,300,000	163.0	16,300,000	163.0

g) Aggregate number of equity/preference shares bought back, bonus share and shares issued for consideration other than cash during the period of five years immediately preceding reporting date:

	2016-17	2015-16	2014-15	2013-14	2012-13
Bonus shares	-	-	-	-	-
Preference shares issued for consideration other than cash by conversion of loan	-	-	16,300,000	-	-
Equity shares bought back by the Company	-	-	-	-	-
Total	-	-	16,300,000	-	-

h) Detail of equity shareholders holding more than 5% of equity share capital in the Company:

	As at March 31, 2017		As at March 31, 2016	
Name of persons	No.	% age of holding	No.	% age of holding
Mr. Soshil Kumar Jain	5,000,000	8.16%	5,000,000	8.16%
Mr. Ravinder Jain	5,712,300	9.33%	5,712,300	9.33%
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%
Ravinder Jain (HUF)	4,135,000	6.75%	4,135,000	6.75%
Rajesh Jain (HUF)	4,368,500	7.13%	4,368,500	7.13%
Sandeep Jain (HUF)	4,105,000	6.70%	4,105,000	6.70%
Serum Institute of India Pvt. Ltd	8,932,632	14.58%	8,932,632	14.58%

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i) Detail of preference shareholders holding more than 5% of 0.5% cumulative non convertible and non participating redeemable preference share capital in the Company:

	As at March 31, 2017		As at March 31, 2016	
Name of persons	No.	% age of holding	No.	% age of 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 as at the year end.

(Rs. in million)

	As at March 31, 2017		As at March 31, 2016	
4. Reserves and Surplus				
Capital reserve				
Balance as per the last financial statements		6.1		6.1
Capital redemption reserve				
Balance as per the last financial statements		1,022.3		1,022.3
Securities premium				
Balance as per the last financial statements		919.4		919.4
Revaluation reserve				
Balance as per the last financial statements (refer note 2.1 (b))	4,594.7		4,594.7	
Transfer to General Reserve	(133.3)	4,461.4	-	4,594.7
Foreign currency monetary item translation difference account				
Balance as per the last financial statements (refer note 43)	(207.7)		(202.2)	
Add: Exchange differences accumulated during the year	35.0		(94.0)	
Less: Exchange differences amortised during the year	72.5	(100.2)	88.5	(207.7)
Foreign currency translation reserve				
Balance as per the last financial statements	37.1		74.5	
Add: Movement during the year	24.9	62.0	(37.4)	37.1
General reserve				
Balance as per the last financial statements	369.9		369.9	
Transfer from Revaluation Reserve	133.3	503.2	-	369.9
Surplus/ (Deficit) in the statement of profit and loss				
Balance as per the last financial statements	(2,480.0)		(2,297.1)	
Profit/ (Loss) for the year	(644.6)		(182.9)	
Transfer to General Reserve	-	(3,124.6)	-	(2,480.0)
		3,749.6		4,261.7

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(Rs. in million)

	Non-current portion as at		Current maturities as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
5. Long Term Borrowings				
Term loans				
Foreign currency term-loans from banks (secured)				
Bank of India (refer sub note A and B)	1,081.0	1,656.5	540.5	-
Indian rupee term loans from banks (secured) (refer sub note A and B)				
Bank of Baroda (refer sub note C(5))	780.9	882.0	132.7	75.7
Indian Overseas Bank	915.0	950.4	47.5	37.5
State Bank of India [loan - I]	1,400.1	1,464.1	76.0	48.0
State Bank of India [loan - II]	704.6	737.1	38.6	24.4
Indian rupee working capital term loan from banks (secured) (refer sub note A and B)				
Axis Bank Ltd.	4.4	4.6	0.2	0.2
Bank of India	53.5	55.9	3.1	1.8
Canara Bank	33.4	34.9	1.7	1.4
IDBI Bank Ltd.	15.8	16.5	0.7	0.5
Indian Overseas Bank	42.0	44.2	1.9	1.4
State Bank of India	523.2	546.1	27.2	17.2
Union Bank of India	40.7	42.5	2.1	1.7
Indian rupee funded interest term loan from banks (secured) (refer sub note A and B)				
Axis Bank Ltd.	3.0	3.1	0.1	0.1
Bank of India	132.2	139.9	9.7	5.7
Canara Bank	20.5	21.2	0.9	0.8
IDBI Bank Ltd.	10.8	11.4	0.5	0.4
Indian Overseas Bank	226.0	237.9	11.1	9.3
State Bank of India	622.5	652.9	35.8	22.6
Union Bank of India	24.4	25.3	1.4	1.1
Indian rupee other term loans				
Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer sub note C (1) and (2))	61.0	78.0	24.0	7.0
Department of Science & Technology ("DST") (unsecured) (refer sub note C (4))	8.0	10.0	2.0	2.0
Edelweiss Assets Reconstruction Company Limited [loan I] (secured) (refer sub note A (5))	1,005.8	1,050.7	53.3	33.7
Edelweiss Assets Reconstruction Company Limited [loan II] (secured) (refer sub note A (6))	129.8	-	7.0	-
Technology Development Board ("TDB") (secured) (refer sub note C (3))	2.8	5.6	2.8	2.8
	7,841.4	8,670.8	1,020.8	295.3
The above amount includes				
Secured borrowings	7,833.4	8,660.8	1,018.8	293.3
Unsecured borrowings	8.0	10.0	2.0	2.0
Amount disclosed under the head "Other current liabilities " in note 11	-	-	(1,020.8)	(295.3)
	7,841.4	8,670.8	-	-

Notes :

A. Loans under Corporate Debt Restructuring (CDR) (refer note 41)

1. All the long-term loans and sustainable working capital borrowings from 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. The Company had executed Master Restructuring Agreement (MRA)/other definitive documents with all lender banks, except State Bank of Travancore ("SBT"), on December 27, 2014 with Cut Off Date of October 01, 2013. Under the CDR package, the Company is entitled to reliefs and concessions granted by the banks, effective from the Cut Off Date.
3. Key terms of restructuring of the long-term loans are as under:
   i. Tenure: Door to Door 10 Years.
   ii. Additional moratorium of 2 years and 2 months from Cut Off Date.
   iii. Repayment of loans: 32 structured quarterly installments starting from quarter ending December 2015 till the quarter ending September 2023. However, first installment was payable on November 30, 2015 instead of December 31, 2015.
   iv. Interest rate: 11% p.a. (floating), linked to base rates of respective Lenders from October 1, 2013 to September 30, 2018, thereafter rate of interest will increase to 13% p.a. linked to base rates of respective lenders w.e.f. October 1, 2018.
   v. Interest obligations aggregating Rs.1,156.4 million on (i) restructured long-term loans and the foreign currency term loan from Bank of

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India for a period of 24 months from Cut Off Date; and (ii) sustainable working capital borrowings for a period of 12 months from Cut Off Date, were converted into Funded Interest Term Loan (FITL).

vi. The dues aggregating to Rs.842.8 million in the working capital borrowings as on the Cut Off Date were converted into Working Capital Term Loan (WCTL).

4. The foreign currency term loan (ECB) from Bank of India of US$ 25.0 million is repayable in three equal yearly installments commencing from financial year 2017-18 onwards.
5. During financial year 2015-16, SBT had assigned all the rights, title and interest in the entire outstanding dues owed by the Company together with all the underlying securities and guarantees, comprising its Rupee term loan and sustainable working capital along with all accrued interest thereon, in favour of Edelweiss Asset Reconstruction Company Limited ("EARC") (refer note 41 & 42). These loans were part of CDR. EARC had restructured the entire outstanding of Rs.1,649.5 million for an aggregate principal amount of Rs.1,153.0 million. As a result of restructuring of repayment of interest and principal, total liability of Rs.1,900.0 million shall be repaid as per the following terms:
   i. Cut Off date January 01, 2016
   ii. Principal payment of Rs.30.5 million to be paid on or before January 31, 2016
   iii. Balance principal amount of Rs.1,122.5 million shall be repaid in 29 structured quarterly installments commencing from the quarter ending March 31, 2016 till the quarter ending March 31, 2023
   iv. Interest rate shall be 11% p.a. up to September 30, 2018 and 13% p.a. thereafter up to March 31, 2023, payable on quarterly rests along with principal installments.
6. During financial year 2015-16, State Bank of Mysore ("SBM") had absolutely assigned all the rights, title and interests in financial assistance granted to the Company, during the year, with all the underlying rights, benefits and obligations in favour of EARC vide assignment agreement dated February 26, 2016. (refer note 41 & 42). These loans were part of CDR. During the year, EARC had restructured the entire outstanding of Rs.1,66.9 million for an aggregate principal amount of Rs.140.0 million. As a result of restructuring of repayment of interest and principal, total liability of Rs.223.3 million shall be repaid as per the following terms:
   i. Cut Off date February 26, 2016
   ii. Principal amount of Rs.140.0 million shall be repaid in 28 structured quarterly installments commencing from the quarter ending June 30, 2016 till the quarter ending March 31, 2023
   iii. Interest rate shall be 11% p.a., payable on quarterly rests along with principal installments

B. Securities for the long-term 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 are currently pending.
4. The long-term loans and working capital facilities from SBI 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 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 Biswas situated at Village Samelheri, Tehsil Dera Bassi, District S.A.S. Nagar (Mohali), Punjab;
   ii. All parcels of land admeasuring 93 Bighas, 12 Biswas and 10 Biswasi situated at Village Samelheri, Sub Registrar Derabassi, District Patiala, 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 9,435.66 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 S.A.S. 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:

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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), kitat 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: 14,15,20 52, at village Mohili, Andheri Kurla Road, Andheri (East), Mumbai; and

xiii. Industrial plot no, Gen-72/3, land measuring 5,518 sqmts in the Trans Thane Creek Industrial Area, Navi Mumbai.

C. Repayment terms and security of the loans outside the CDR Scheme: (refer note 41 & 42):

i. Rupee term loan from BIRAC for H1N1 project, with amount outstanding of Rs.70.0 million (previous year Rs.70.0 million), was rescheduled in the previous year. It is repayable in ten equal half-yearly installments commencing from March 31, 2017. This loan is secured by way of hypothecation of all equipments, 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 project, with amount outstanding of Rs.15.0 million (previous year Rs.15.0 million), is repayable in ten equal half-yearly installments commencing from May 29, 2017 and is secured by way of hypothecation of all equipments, 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. Rupee term loan from TDB of Rs.5.6 million (previous year Rs.8.4 million), is for specific project and is repayable in nine equal half-yearly installments commencing from January 2015 and is secured by way of first pari-passu charge (i) on the whole of the moveable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future except book debts; and (ii) mortgage of immovable properties of the Company being land admeasuring 1011.11 sq. yards, situated at Plot no. 37, Sector 21-A, Urban Estate Faridabad, Haryana. The loan is also collaterally secured by personal guarantees of the two promoter directors of the Company, viz. Dr. Rajesh Jain and Mr. Sandeep Jain. This loan has been repaid in full along with accrued interest on May 01, 2017.

4. The unsecured rupee term loan from DST of Rs.10 million (previous year Rs.12 million), is for specific project and is repayable in ten equal annual installments commencing from September 2012.

5. Indian rupee loan from Bank of Baroda which is repayable in 32 quarterly installments, starting from March 2015 and ending on December 2022. The said term Loan is secured by way of first charge on entire movable and immovable (land admeasuring 2.53 Acres at Plot no 3201, Sector 24, DLF Phase III, Gurgaon in the state of Haryana) fixed assets and by way of 1st charge on the current assets (present and future) (refer note 47).

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
6. Deferred Tax Liabilities (Net)		
Deferred tax liabilities relating to		
Differences in depreciation and amortisation in block of fixed assets as per Income-tax Act and books of accounts	911.8	824.9
Capital expenditure on research and development	74.4	20.4
	986.3	845.3
Deferred tax assets relating to		
Effect of expenditure debited to statement of profit and loss but allowed for tax purposes on payment basis	467.6	519.8
Effect of unabsorbed business loss and depreciation*	467.9	301.2
Others	46.1	19.3
	981.6	840.3
Net deferred tax liabilities	4.6	5.0

* The deferred tax assets on unabsorbed business loss and depreciation have been recognized only to the extent of deferred tax liabilities on account of lack of virtual certainty as required by the Accounting Standard-22 "Accounting for Taxes on Income".

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to the consolidated financial statements for the year ended March 31, 2017

(Rs. in million)

	Long term as at		Short term as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
7. Provisions				
Provision for employees benefits				
Provision for gratuity (Refer note 37)	72.5	50.9	-	-
Provision for compensated absences	100.1	91.4	14.6	13.8
Other provisions				
Provision for income tax	-	-	0.1	0.1
Provision for liquidation expenses	-	-	0.5	0.7
Other	-	-	0.6	0.5
	172.6	142.3	15.8	15.1

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
8. Other Long Term Liabilities		
Income received in advance	-	3.4
Group's liability towards preference share capital of Adveta Power Private Limited, joint venture company	12.9	12.9
Group's liability towards preference share capital of NewRise Healthcare Private Limited.	619.9	464.8
	632.8	481.1
9. Short Term Borrowings		
Cash credits from banks (secured) (refer note 5(B)(2))	1,443.5	1,383.9
Buyers' credit from banks (secured) (refer note 5(B)(2))	211.3	243.6
Loan from related parties (unsecured) (refer note 32 & 41)	244.4	185.7
Loan from others (unsecured) (refer note 41)	77.1	105.0
	1,976.3	1,918.2
The above amount includes		
Secured borrowings	1,654.8	1,627.5
Unsecured borrowings	321.5	290.7
	1,976.3	1,918.2

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
10. Other Current Liabilities		
Trade payables		
Micro enterprises and small enterprises (refer note 31)	32.1	20.0
Other payables	2,360.6	1,858.7
	2,392.7	1,878.7
Other liabilities		
Current maturities of long term borrowings (refer note 5)	1,020.8	295.3
Interest accrued but not due on borrowings	9.6	35.2
Interest accrued and due on borrowings	188.7	269.2
Advances from customers	157.7	174.1
Income received in advance	0.8	3.6
Sundry deposits	77.7	68.8
Statutory dues	68.7	53.9
Provision for excise duty on inventory of finished goods	18.9	-
Book overdraft	16.3	-
Unpaid dividend on equity shares (Amount will be credited as and when due to Investor Education and Protection Fund)	0.2	0.2
Payables to others	51.1	35.7
	1,610.6	936.0

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Summary of significant accounting policies and other explanatory information
to the consolidated financial statements for the year ended March 31, 2017

11. Fixed Assets

Tangible Assets

(Rs. in million)

Description	Land - freehold	Land - leasehold	Buildings	Leasehold improvement	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computer equipments	Total
Cost or Valuation										
At April 01, 2015	2,714.0	493.7	4,435.7	94.9	6,716.7	359.3	140.0	230.8	192.4	15,377.5
Additions	1.0	-	0.6	-	23.3	0.0	12.2	2.1	7.8	47.0
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposals	-		31.5	92.3	38.9	11.6	17.1	2.2	2.4	196.0
Other Adjustments	-	-	0.9	-		-		-	-	0.9
At March 31, 2016	2,715.0	493.7	4,403.9	2.6	6,701.1	347.7	135.1	230.7	197.8	15,227.6
Additions	0.4	-	24.1	-	87.0	0.1	0.5	1.5	3.4	117.0
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	2.7	1.7	11.1	2.8	2.8	21.1
At March 31, 2017	2,715.4	493.7	4,428.0	2.6	6,785.4	346.1	124.5	229.4	198.4	15,323.5
Depreciation										
At April 01, 2015	-	17.6	606.2	87.5	2,738.1	263.6	105.3	212.0	182.0	4,212.3
Charge for the year	-	5.9	110.3	-	426.6	21.9	10.4	4.2	2.1	581.4
Deduction & Adjustment during the year	-		2.5	84.9	16.9	10.8	13.5	2.2	2.4	133.2
Exchange Differences	-	-	4.1	-	39.3	1.0	-	1.9	-	46.3
At March 31, 2016	-	23.5	718.1	2.6	3,187.1	275.7	102.2	215.9	181.7	4,706.8
Charge for the year	-	5.9	109.4	-	392.8	16.0	9.0	2.0	3.5	538.6
Deduction & Adjustment during the year	-		-	-	1.6	1.6	9.7	2.6	2.7	18.2
Exchange Differences	-	-	4.1	-	39.1	1.0	-	0.3	-	44.5
At March 31, 2017	-	29.4	831.6	2.6	3,617.4	291.1	101.5	215.6	182.5	5,271.7
Net Block										
At March 31, 2016	2,715.0	470.2	3,685.8	-	3,514.0	72.0	32.9	14.8	16.1	10,520.8
At March 31, 2017	2,715.4	464.3	3,596.4	-	3,168.0	55.0	23.0	13.8	15.9	10,051.8
Capital work-in-progress	`									
At March 31, 2016										1,505.9
At March 31, 2017										1,487.2

Notes :
1. Plant and equipment includes plant and machinery amounting to Rs.1.3 million (previous year Rs.2.0 million) net block lying with third parties.

Intangible Assets

(Rs. in million)

Description	Goodwill	Patent, Trademark & Copyrights	Softwares	Websites	Product Development	Total
Cost or Valuation						
At April 01, 2015	149.8	85.9	224.6	9.3	487.7	957.3
Additions	-	6.6	10.5	-	-	17.1
Other Adjustments	(3.4)	4.3	-	-	-	0.9
At March 31, 2016	146.4	96.8	235.1	9.3	487.7	975.3
Additions	9.7	0.3	2.8	-	32.9	45.7
At March 31, 2017	156.1	97.1	237.9	9.3	520.6	1,021.0
Depreciation						
At April 01, 2015	82.6	71.2	194.0	9.3	322.4	679.5
Charge for the year	-	6.0	16.5	-	83.0	105.5
At March 31, 2016	82.6	77.2	210.5	9.3	405.4	785.0
Charge for the year	-	5.3	9.0	-	79.6	93.9
At March 31, 2017	82.6	82.5	219.5	9.3	485.0	878.9
Net Block						
At March 31, 2016	63.8	19.6	24.6	-	82.3	190.3
At March 31, 2017	73.5	14.6	18.4	-	35.6	142.1
Intangible assets under development						
At March 31, 2016						103.6
At March 31, 2017						217.1

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(Rs. in million)

		As at March 31, 2017		As at March 31, 2016
12. Investments				
(valued at cost unless stated otherwise)				
(A) Non-current				
Trade - Unquoted (valued at cost unless stated otherwise) equity instruments				
Investment in associates				
419,767 (Previous year 419,767) equity shares of Rs.10 each fully paid in PanEra Biotec Private Limited	51.1		101.0	
Less: Share of Group's loss pertaining to earlier year	-		52.1	
Add: Profit / (loss) for the year	(51.1)	-	2.2	51.1
Non Trade - Unquoted (valued at cost unless stated otherwise) equity instruments				
20,250 (Previous year 20,250) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited	0.2		0.2	
50,000 (Previous year 50,000) equity shares of Rs.10 each fully paid up in Mohali Green Environment Private Limited	0.5	0.7	0.5	0.7
- Quoted, in equity instrument				
Nil Equity Shares (Previous year 10,000) of Rs.10 each fully paid in Medicamen Biotec Limited		-		0.1
- Quoted mutual fund				
187,113.099 Units of Rs.100.3199 NAV (Previous Year 205,527.823 Units of Rs.100.2970# NAV) in Birla Sun Life Saving Fund Daily Dividend - Regular Plan - Reinvestment		18.8		-
		19.5		51.9
Aggregate amount of unquoted investment		0.7		51.8
Aggregate amount of quoted investment		18.8		0.1
Aggregate market value of quoted investment		18.8		0.1
(B) Current				
Quoted investments : (valued at cost unless states otherwise)				
a) 269,083.111 Units of Rs.10.0818 NAV (Previous Year 1,447,401.393 Units of Rs.10.0759 NAV) in Franklin India Ultra Short Bond Fund Super Institutional Plan Daily Dividend - Option Reinvestment		2.7		14.6
b) Nil Units (Previous Year 205,527.823 Units of Rs.100.2970 NAV) in# Birla Sun Life Saving Fund Daily Dividend - Regular Plan - Reinvestment		-		20.6
		2.7		35.2
# Owing to change in management's intention, this investment has been classified as non-current from current classification in the previous year.				
Aggregate amount of quoted investment		2.7		35.2
Aggregate market value of quoted investment		2.7		35.2

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(Rs. in million)

		Non-current as at		Current as at	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
13. Loans and Advances					
Capital advances (Unsecured, considered good)(refer note 44)	(a)	190.8	185.6	-	5.9
Security deposits (Unsecured, considered good)	(b)	10.8	27.7	20.7	5.4
Advances recoverable in cash or in kind					
Unsecured, considered good		-	-	767.8	545.1
Unsecured, considered doubtful		-	-	39.8	36.5
		-	-	807.6	581.6
Less : Provision for doubtful advances		-	-	(39.8)	(36.5)
	(c)	-	-	767.8	545.1
Other loan and advances					
Unsecured, considered good					
Balance with government authorities					
Balance with excise and custom etc.		25.6	24.5	72.4	95.9
Others		23.5	-	-	-
Prepaid expenses		4.0	7.0	35.0	36.6
Staff loans and advances		-	-	88.2	15.3
Advance income tax (Net of provision of Rs.1,701.9 million (Previous year Rs.1,701.9 million)) (refer note 28 (i)(a))		10.7	74.0	0.1	-
MAT credit entitlement (Refer note 45)		353.7	353.4	0.0	-
Doubtful:					
Staff loans and advances		-	-	0.1	0.1
		417.6	459.0	195.8	147.9
Less: Provision for doubtful advances		-	-	(0.1)	(0.1)
Provision for impairment of MAT credit entitlement (refer note 45)		(24.7)	-	-	-
	(d)	392.9	459.0	195.7	147.8
	Total (a)+(b)+(c)+(d)	594.5	672.2	984.2	704.2

(Rs. in million)

	As at March 31, 2017	As at March 31, 2016
14. Inventories		
(valued at lower of cost or net realisable value)		
Raw materials (including packing materials)	647.7	689.8
Work-in-progress	149.5	113.7
Finished goods	419.5	376.4
Traded goods	68.4	52.7
Stores and spares	112.7	139.7
Land under development	1,680.1	1,680.1
	3,077.8	3,052.4

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Summary of significant accounting policies and other explanatory information
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(Rs. in million)

		As at March 31, 2017	As at March 31, 2016
15. Trade Receivables			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		216.7	293.5
Unsecured, considered doubtful		64.8	66.9
		281.5	360.4
Less : Provision for doubtful receivables		(64.8)	(66.9)
	(a)	216.7	293.5
Other receivables			
Unsecured, considered good		1,534.1	1,123.2
Unsecured, considered doubtful		0.1	0.1
		1,534.2	1,123.3
Less : Provision for doubtful receivables		(0.1)	(0.1)
	(b)	1,534.1	1,123.2
	Total (a)+(b)	1,750.8	1,416.7

(Rs. in million)

		Non-current as at		Current as at	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
16. Cash and Bank Balances					
Cash and cash equivalents					
Balances with banks					
Current accounts		-	-	92.0	84.3
Exchange earner foreign currency accounts		-	-	0.2	6.1
Cash on hand		-	-	0.9	6.9
	(a)			93.1	97.3
Other Bank Balances*					
Unpaid dividend accounts**				0.2	0.2
Deposits with original maturity for more than 12 months		1.6	5.6	-	-
Deposits with original maturity for more than 3 months but less than 12 months		-	-	145.7	131.8
	(b)	1.6	5.6	145.9	132.0
Amount disclosed under note 17-Other assets		(1.6)	(5.6)	-	-
	Total (a)+(b)	-	-	239.0	229.3

* Fixed deposits amounting to Rs.47.3 million (Previous year Rs.38.3 million) are pledged with banks and various government authorities for tender, bank guarantee, margin money etc.
** Not available for use by the company as they represent corresponding unpaid/unclaimed dividend liabilities.

(Rs. in million)

	Non-current as at		Current as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
17. Other Assets				
Unsecured, considered good unless stated otherwise				
Export benefits receivable	-	-	48.5	52.7
Interest accrued on deposits/loans (considered good)	-	-	1.2	0.8
Interest accrued but not due on loans and deposits	0.1	-	1.0	1.2
Bank balances (refer note 16)	1.6	5.6	-	-
Others	-	-	1.6	1.3
	1.7	5.6	52.3	56.0

(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
18. Revenue From Operations				
Sales of products				
Finished goods		4,845.3		5,647.3
Traded goods		459.6		543.2
Sale of services				
Contract manufacturing		61.0		71.3
Other operating revenue				
Export benefits		74.3		90.3
Research and license fees		107.8		140.3
Royalty		35.1		34.7
Scrap sale		3.9		7.1
Others		0.4		0.2
		5,587.4		6,534.4
Less: Excise duty paid on sales		(139.4)		(3.6)
Total Revenue from operations (net)		5,448.0		6,530.8
19. Other Income				
Interest income on				
Banks deposits		9.5		11.2
Income tax refund		14.3		38.3
Others		3.0		1.8
Dividend income on:				
Investment in other non trade fund		1.6		2.4
Profit on sale of Fixed asset		0.0		0.0
Excess provision written back		271.8		41.5
Lease rent		66.9		84.2
Miscellaneous		78.4		24.1
		445.5		203.5

(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
20. Cost of Raw and Packing Material Consumed				
Inventory at the beginning of the year	689.8		525.5	
Add : Purchases during the year	1,586.7		1,860.4	
	2,276.5		2,385.9	
Less : Inventory at the end of the year	647.7		689.8	
Raw and packing materials consumed		1,628.8		1,696.1

(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
21. (Increase)/ Decrease in Inventories				
Inventories at the end of the year				
Finished goods		419.5		376.4
Traded goods		68.4		52.7
Work in progress		149.5		113.7
		637.4		542.8
Inventories at the beginning of the year				
Finished goods		376.4		293.7
Traded goods		52.7		37.2
Work in progress		113.7		433.7
		542.8		764.6
(Increase)/ Decrease in Inventories		(94.7)		221.8

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(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
22. Employee Benefits Expense				
Salary, wages and bonus (refer note 39)		1,194.4		1,249.6
Contractual wages		52.0		58.0
Contribution to provident and other funds (refer note 37)		47.0		44.8
Staff welfare expenses		41.0		51.4
Gratuity expenses (refer note 37)		30.3		16.4
		1,364.7		1,420.2

(Rs. in million)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
23. Other Expenses*				
Advertising and sales promotion		214.2		259.5
Agriculture expenses		1.2		0.2
Analytical testing and trial		49.2		42.1
Bad debts and advances written off		-		0.7
Commission on sales		61.9		91.3
Consumption of stores and spares		149.9		164.4
Contract manufacturing		14.9		29.3
Directors' sitting fees		1.9		2.7
Discount on sale of export benefit		-		3.5
Net loss on foreign currency transactions and translations		108.5		39.0
Freight and forwarding		91.9		87.7
Insurance		42.4		41.4
Intangibles assets under development written off		3.2		27.3
Leasehold improvement written off		-		9.7
Legal and professional (refer note 38)		98.6		161.6
Loss on sale/discard of fixed assets (net)		0.6		-
Loss on sale of non current investment		-		0.1
Meetings and conferences		16.2		25.8
Office expenses		11.0		14.9
Other field expenses		4.1		5.1
Payment to auditors (refer note 38)		6.6		9.3
Postage and communication		36.3		38.8
Power and fuel		288.5		251.5
Printing and stationery		11.7		12.7
Provision for doubtful debts and advances		-		0.2
Provision for liquidation expenses on joint venture company		1.0		0.2
Rates and taxes		57.4		44.5
Rent		13.9		27.7
Repair and maintenance :				
Buildings	16.3		48.0	
Plant and machinery	44.5		37.6	
Others	46.4	107.2	32.9	118.5
Royalty		2.7		12.4
Security charges		33.1		35.5
Staff training and recruitment		16.4		15.2
Subscription		9.5		10.5
Travelling and conveyance		103.3		120.5
Vehicle running and maintenance		26.3		28.0
Miscellaneous expenses (including prior period expense of Nil (previous year Rs.52.1 million))		43.5		103.6
		1,627.1		1,835.3

*For pre-operative expenses refer to note 30

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(Rs. in million)

	For the year ended March 31, 2017	For the year ended March 31, 2016
24. Finance Costs		
Interest expenses	1,077.9	1,210.0
Bank charges	32.9	51.0
Exchange differences to the extent considered as an adjustment to borrowing cost	6.3	12.3
	1,117.1	1,273.2
25. Depreciation and Amortisation Expense		
Depreciation of tangible fixed assets	583.1	627.7
Amortisation of intangible assets	93.9	105.5
	677.0	733.2
26. Exceptional Items		
Gain on settlement and restructuring of debt (refer note 5A(5) and note 5A(6))	75.5	496.5
	75.5	496.5
27. Earning Per Share		
Profit/ (Loss) for the year (Rs. in million)	(644.6)	(182.9)
Weighted average number of equity shares in calculating basic and diluted earning per equity share (numbers)	61,250,746	61,250,746
Basic earnings per equity share (in Rs.)	(10.50)	(2.97)
Diluted earnings per equity share (in Rs.)	(10.50)	(2.97)
Nominal value per equity share (in Re.)	1.00	1.00

28. Contingent Liabilities (to the extent not provided for)

(Rs. in million)

i)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Disputed demands/show-cause notices under:-		
a) Income tax cases (refer note (a)(i) &(a)(ii)) below)	3,457.1	3,457.1
b) Customs duty cases (refer note (b) below)	4.0	4.0
c) Service tax (refer note (c) and (d) below)	72.6	72.6
Total	3,533.7	3,533.7
Labour cases (in view of large number of cases, it is impracticable to disclose each case)	1.7	1.7

Notes:

a) i) Includes income tax demand of Rs.162.2 million in respect to AY 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 Years 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax Department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs.3,294.9 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 AY 2010-11 & AY 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.

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.4.0 million and the matter is pending before Hon'ble 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 the FY 2003-04 to FY 2011-12, the Assessing Officer levied service tax on foreign services rendered

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

(d) In respect of service tax demands for the FY 2008-09 to FY 2010-11, service tax department has disallowed CENVAT Credit of input services availed and distributed by the Company as input service distributor. The case is currently pending with CESTAT. The Company believes that it has merit in its case, hence no provision is required.

ii) 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 million against these vaccines. The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOH&FW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. While the arbitral proceedings are on, the Company believes that the entire amount in respect of above supplies (after adjusting the AMC amount) including the amount of expired stock and applicable interest thereon is recoverable and no interest is payable on the said AMC amount. Based on legal advice, no adjustment in respect of the expired stock and the interest amount has been made in the financial statements.

29. 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 , 2017	As at March 31 , 2016
Fixed Assets	24.6	80.8

b) Other commitments :

i) Export commitments of Rs.1,331.4 million (Previous year Rs.983.6 million) under advance licenses schemes.

ii) The Company has received financial assistance in the form of soft loan under various projects from Department of Biotechnology and Department of Science & Technology respectively. As per the terms of related agreements, the Company is also required to incur expenditure in form of monetary contribution to the relevant project. The amount of commitment is not quantifiable.

iii) The Company had executed an agreement dated January 01, 2014, with other shareholders of its subsidiary company, viz. NewRise Healthcare Private Limited to acquire the remaining stake in the said subsidiary company. During the year, the Company has purchased part of these shares at an aggregate value of Rs.9.8 million. As per the terms of the agreement, the Company was required to pay further amount of Rs.79.7 million towards purchase of balance shares. The Company has purchased the said balance shares also on April 19, 2017 (refer note 48).

iv) For commitments relating to lease arrangements, refer note 35.

30. Details of pre-operative expenses (included in capital work in progress) relating to fixed assets are as follows:

(Rs. in million)

Particulars	Opening balance		Addition during the year ended		Capitalized during the year ended		Closing balance	
	April 1, 2016	April 1, 2015	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Legal and professional	73.5	74.4	-	0.4	1.0	1.3	72.5	73.5
Store and spares consumed	0.0	0.2	-	-	0.2	0.2	0.0	0.0
Power and fuel	17.5	17.5	-	-	-	-	17.5	17.5
Rates and taxes	1.4	1.5	-	-	0.1	0.1	1.4	1.4
Repair and maintenance	4.1	0.4	-	-	-	0.4	4.1	-
Salary and wages	86.9	86.9	-	-	-	-	86.9	86.9
Travelling and conveyance	3.7	3.7	-	-	-	-	3.7	3.7
Rent	2.5	5.3	-	-	-	2.8	2.5	2.5
Sundry expenses	261.7	261.8	0.1	0.4	0.5	0.5	261.7	261.7
Total	451.2	451.7	0.1	0.8	1.6	5.3	449.7	451.2

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31. Details of dues to micro & small enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]

(Rs. in million)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	32.1	5.9*	20.0	6.3*
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	33.8	-	57.5	5.2
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	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	5.9*	-	16.7*
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	-	-	-	10.4

Note: * Included in "Other payables" in note 10

32. Related party disclosures

A. Names of related parties

Related Parties with whom transactions have taken place during the year

(a) Joint Ventures:
- Adveta Power Private Limited ("Adveta")
- Chiron Panacea Vaccines Private Limited ("CPV") (under liquidation) (refer note 36(c))

(b) Associates:
- PanEra Biotec Private Limited ("PanEra")

(c) Key Management Personnel:
- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- Mr. Ravinder Jain - Managing Director
- Dr. Rajesh Jain - Joint Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- 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

(d) 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 Mr. Ravinder Jain
- Mrs. Radhika Jain, Daughter of Mr. Ravinder Jain
- Mrs. Shilpy Jain, Wife of Mr. Sumit Jain
- Mr. Harshet Jain, Son of Dr. Rajesh Jain

(e) 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

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B. Transactions with Associates and Joint Ventures Companies:

(Rs. in million)

S. No.	Particulars	Associate		Joint Ventures	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
I)	Transactions made during the year				
1	Purchase of raw materials				
	PanEra	309.9	478.4	-	-
2	Sale of goods/material				
	PanEra	-	6.1	-	-
3	Recovery of expenses				
	PanEra	71.3	80.2	-	-
4	Rent received				
	PanEra	75.9	95.1	-	-
	CPV	-	-	0.4	0.4
II)	Year end balances				
1	Investments				
	PanEra	4.2	4.2	-	-
2	Outstanding receivable				
	PanEra	321.7	178.8		
	CPV	-	-	0.1	0.1
3	Outstanding advances, net				
	PanEra	418.2	248.7	-	-

C. Transactions with Key Management Personnel, their relatives and Enterprises over which Person(s) (having control or significant influence over the Group/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, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
I)	Transactions made during the year						
1	Remuneration						
	Mr. Soshil Kumar Jain*	10.5	8.4	-	-	-	-
	Mr. Ravinder Jain*	11.7	11.4	-	-	-	-
	Dr. Rajesh Jain*	7.2	7.6	-	-	-	-
	Mr. Sandeep Jain*	6.5	6.7	-	-	-	-
	Mr. Sumit Jain*	4.4	3.8	-	-	-	-
	Mr. Ankesh Jain*	2.6	-	-	1.5	-	-
	Mr. VinodGoel	4.5	3.7	-	-	-	-
	Mr. Devender Gupta	3.2	2.4	-	-	-	-
	Mr. Shagun Jain	-	-	2.8	2.8	-	-
	Mr. Ashwani Jain	-	-	3.0	3.1	-	-
	Mrs. Shilpy Jain	-	-	0.6	0.6	-	-
	Mrs. Radhika Jain	-	-	1.4	1.4	-	-
	Mr. Harshet Jain	-	-	0.6	0.5	-	-
2	Rent Income						
	Neophar	-	-	-	-	0.2	0.2
	Trinidhi	-	-	-	-	0.2	0.2
3	Interest expenses						
	Mr. Soshil Kumar Jain	9.4	8.6	-	-	-	-
	Mr. Ravinder Jain	1.1	1.1	-	-	-	-
	Dr. Rajesh Jain	4.9	4.5	-	-	-	-
	Trinidhi	-	-	-	-	0.3	0.3
4	Interest converted into loan						
	Mr. Soshil Kumar Jain	9.5	-	-	-	-	-
	Dr. Rajesh Jain	5.0	-	-	-	-	-

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(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, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
II)	Year end balances						
1	Loan payable						
	Mr. Soshil Kumar Jain	104.8	95.2	-	-	-	-
	Mr. Ravinder Jain	12.7	12.7	-	-	-	-
	Dr. Rajesh Jain	54.6	49.7	-	-	-	-
	Trinidhi	-	-	-	-	3.1	3.1
2	Interest payable						
	Mr. Soshil Kumar Jain	8.5	9.5	-	-	-	-
	Mr. Ravinder Jain	6.8	5.7	-	-	-	-
	Dr. Rajesh Jain	4.4	5.0	-	-	-	-
	Trinidhi	-	-	-	-	0.9	0.7
3	Outstanding receivable						
	Trinidhi	-	-	-	-	0.7	0.4
4	Remuneration Payable						
	Mr. Soshil Kumar Jain*	3.5	0.7	-	-	-	-
	Mr. Ravinder Jain*	3.9	1.0	-	-	-	-
	Dr. Rajesh Jain*	2.4	0.6	-	-	-	-
	Mr. Sandeep Jain*	2.2	0.6	-	-	-	-
	Mr. Sumit Jain*	1.5	0.3	-	-	-	-
	Mr. Ankesh Jain*	0.9	0.1	-	-	-	-
	Mr. VinodGoel	1.1	0.3	-	-	-	-
	Mr. Devender Gupta	0.8	0.2	-	-	-	-
	Mr. Shagun Jain	-	-	0.7	0.2	-	-
	Mr. Ashwani Jain	-	-	0.8	0.3	-	-
	Mrs. Shilpy Jain	-	-	0.2	-	-	-
	Mrs. Radhika Jain	-	-	0.3	0.1	-	-
	Mr. Harshet Jain	-	-	0.1	-	-	-

* Refer note 39

Note: In respect of personal guarantees given by promoter directors, refer note 5 'Long term borrowings' and note 9 'Short term borrowings'. The above transactions are in ordinary course of business.

33. Particulars of Unhedged Foreign Currency Exposure

Particulars		As at March 31, 2017			As at March 31, 2016		
	Foreign Currency	Amount in Foreign Currency	Closing Exchange Rate*	Amount in Rs. million	Amount in Foreign Currency	Closing Exchange Rate*	Amount in Rs. million
Foreign trade payable	USD	2,971,061	64.86	192.7	2,882,801	66.26	191
	Euro	2,062,853	69.20	142.7	1,456,513	75.39	109.8
	CHF	-	-	-	8,329	63.68	0.5
	GBP	10,512	81.34	0.9	11,664	95.17	1.1
	JPY/100	27,228	59.21	1.6	27,228	59.88	1.6
	SEK	16,820	7.23	0.1	16,820	8.17	0.1
	CAD	14,028	48.74	0.7	6,828	51.01	0.3
	KZT	-	-	-	6,886,660	0.20	1.4
	THB	5,547	1.90	0.0	5,547	1.90	0.0
	RUB	-	-	-	6,020	1.01	0.0
Foreign trade receivable	Euro	4,170,940	69.19	288.6	3,829,499	75.38	288.7
	USD	8,067,471	64.85	523.2	9,417,780	66.25	623.9
Foreign currency loans	USD	28,222,352	64.86	1,830.5	28,676,061	66.26	1,900.1
	CHF	36,000	64.64	2.3	-	-	-
Balance with banks	USD	1551	64.85	0.1	80,644	66.25	5.3
	Euro	56	69.19	0.0	6,182	75.38	0.5
	KZT	52,110	0.21	0.0	793,347	0.19	0.2
	RUB	80,404	1.15	0.1	113,786	1.00	0.1
Interest accrued but not due	USD	21,184	64.86	1.4	14,705	66.26	1
	CHF	79	64.64	0.0	-	-	-
Interest accrued and due	USD	752,109	64.86	48.8	-	-	-

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

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34. Segment information

The primary segment reporting format is determined to be business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced and sold. Secondary information is reported geographically between India (domestic) and overseas. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Primary segments:

Business segments: The Group's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The identified segments are:

Vaccines, Formulations and Research & Development: These business segments are engaged in the business of research, development, manufacture and marketing of Vaccines and Pharmaceutical Formulations. The Group has products for various therapeutic segments, which include renal disease management, nephrology, oncology, diabetes management and pediatric vaccines.

Healthcare: This business segment is engaged in business of operating and maintaining hospitals. (refer note 47).

Real estate: This business segment is engaged in the business of acquisition, construction and development of housing and commercial real estate projects.

Secondary segment:

Geographical segment: The analysis of geographical segment is based on the geographical location of the customers.

A. Information about Primary Segments

(Rs. in million)

Particulars	Vaccines		Formulations		Research & Development		Healthcare		Real Estate		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue												
Segment revenue	1,634.2	2,531.8	3,722.6	3,868.2	91.2	130.8	-	-	-	-	5,448.0	6,530.8
Other income	81.6	98.8	141.7	18.5	41.3	14.4	0.2	0.3	5.9	4.9	270.7	136.9
Total	1,715.8	2,630.6	3,864.3	3,886.7	132.5	145.2	0.2	0.3	5.9	4.9	5,718.7	6,667.7
Segment results	232.8	670.1	1,209.6	1,087.3	(479.1)	(517.7)	(22.5)	(34.6)	(1.4)	9.4	939.4	1,214.5
Unallocated corporate expenses											639.8	693.6
Operating profit/ (Loss)											299.8	520.9
Less: Interest and finance charges											1,117.1	1,273.3
Add: Exceptional items gain/(loss)											75.5	496.5
Add: Other income											174.8	66.6
Less: Tax expense											37.1	19.2
Net profit/ (Loss)											(604.3)	(208.5)
Particulars	As at		As at		As at		As at		As at		As at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Other information												
Segment assets	6,373.2	6,176.6	4,079.5	4,030.5	2,204.9	2,170.7	1,598.3	1,593.4	2,570.8	2,603.1	16,826.7	16,574.3
Unallocated corporate assets											1,794.0	1,969.8
Total assets	6,373.2	6,176.6	4,079.5	4,030.5	2,204.9	2,170.7	1,598.3	1,593.4	2,570.8	2,603.1	18,620.7	18,544.1
Segmental liabilities	465.6	352.4	1,636.7	1,315.6	320.8	223.1	1,044.4	1,041.8	198.9	198.9	3,666.4	3,131.8
Unallocated corporate liabilities											10,980.4	10,915.4
Total liabilities	465.6	352.4	1,636.7	1,315.6	320.8	223.1	1,044.4	1,041.8	198.9	198.9	14,646.8	14,047.2
Particulars	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Capital expenditure on:												
Tangible assets	29.1	48	57.6	16.5	1.1	0.1	-	-	1.6	8.6	89.4	73.2
Intangible assets	-	-	1.9	1.7	217.9	10.1	-	-	-	-	219.8	11.8
Depreciation expense*	289.1	299.3	152.1	165.0	103.0	122.4	-	-	14.5	14.6	558.7	601.3
Amortization expense*	-	-	0.4	0.1	81.7	87.6	-	-	0.0	0.0	82.1	87.7

*Excluding unallocated depreciation and amortization.

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B. Information about Secondary Segments

a) Revenue as per geographical markets

(Rs. in million)

Segment	Domestic		Overseas	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Vaccines	339.8	593.2	1,294.4	1,938.6
Formulations	2,953.5	3,177.5	769.1	690.7
Research and Development	7.4	3.2	83.8	127.6
Total	3,300.7	3,773.9	2,147.3	2756.9

b) Trade receivable (net) as per geographical markets

(Rs. in million)

Segment	Domestic		Overseas	
	As at		As at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Vaccines	547.7	194.6	321.5	372.3
Formulations	418.1	367.4	401.3	364.9
Research and Development	8.5	2.2	53.7	115.3
Total	974.3	564.2	776.5	852.5

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

35. Leases

i. For assets given under operating lease agreements:

a) The Company has leased out certain assets situated at Lalru, Punjab on operating lease to its Associate, PanEra Biotec Private Limited, the summary of which is as under:

(Rs. in million)

Particulars	Gross Block		Accumulated Depreciation		Depreciation charged to Statement of Profit and Loss	
	As at		As at		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Building	340.0	337.8	88.0	77.3	10.7	10.4
Furniture and fittings	41.0	40.9	34.4	32.2	2.3	2.4
Office equipment	21.5	21.8	19.5	20.5	0.1	0.4
Plant and equipments	2,205.8	2,216.0	1,173.3	1,042.7	140.0	148.0
Computer equipments	13.3	13.4	12.6	12.7	0.0	0.0
Total	2,621.6	2,629.9	1,327.8	1,185.4	153.1	161.2

ii. For assets taken on operating lease agreements:

a) 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 sublease payments expected to be received under non-cancellable subleases at the balance sheet date and no restriction is imposed by lease arrangements.

b) Lease payments for the year are Rs.13.9 million (Previous year Rs.27.7 million).

36. a) The Company's interest in Joint Venture Companies:

S. No.	Name of the Company	Nature of relationship	Country of Incorporation	(%) Holding as on March 31, 2017	(%) Holding as on March 31, 2016
1.	Chiron Panacea Vaccines Private Limited (under liquidation) (refer note C below)	Joint venture	India	50	50
2.	Adveta Power Private Limited	Joint venture	India	50	50

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b) Aggregate interest of the Company in assets, liabilities, revenue and expenses in the jointly controlled entities are as follows: (Rs. in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Current assets		
Cash and cash equivalents	51.0	49.1
Short-term loans and advances	0.2	0.2
Other current assets	1.0	1.2
Non-current assets		
Capital work-in-progress	13.7	13.6
Intangible assets under development	0.0	0.0
Current liabilities		
Trade payables	0.4	0.7
Other current liabilities	0.0	0.0
Short- term provisions	1.3	1.1

(Rs. in million)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue	3.5	5.0
Employee benefits expense	0.0	0.1
Other expenses	0.8	1.5

c) The Company had entered into "Dissolution of Joint Venture Agreement" dated November 30, 2012 with respect to its Joint Venture Chiron Panacea Vaccines Private Limited, whereby the Joint Venture partners mutually decided for early termination of the Joint Venture Agreement. As per the dissolution agreement, the joint venture agreement between both the partners was terminated w.e.f. January 31, 2013. The liquidation proceedings of the Joint Venture Company are in progress as on March 31, 2017.

However, as per the agreement both Joint Venture partners will exercise equal control over the management till the final liquidation of Joint Venture, therefore as per the provisions of Accounting Standard – 27, the Joint Venture Company has been considered as jointly controlled entity for the purpose of preparation of financial statements.

37. Employee Benefits

The Group has a defined benefit gratuity plan wherever applicable. Every employee who has completed five years or more of service is eligible for gratuity on separation from employment at 15 days salary (last drawn salary) for each completed year of service subject to maximum of Rs.1.0 million (except in case of Managing/ Joint Managing/ Whole time Directors). The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss

(Rs. in million)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current service cost	14.4	13.5
Interest cost on benefit obligation	10.4	10.2
Expected return on plan assets	(6.9)	(8.3)
Net actuarial (gain)/loss recognised in the year on account of return on plan assets	12.4	1.0
Net benefit expense/(income)	30.3	16.4
Actual return on plan assets	(6.1)	(6.7)

Balance sheet

Details of provision for gratuity

(Rs. in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	148.4	130.0
Fair value of plan assets	75.9	79.1
Net obligation – unfunded	(72.5)	(50.9)

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Changes in the present value of the defined benefit obligation for gratuity are as follows:

(Rs. in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	130.0	127.7
Interest cost	10.4	10.2
Current service cost	14.4	13.5
Benefits paid	(17.9)	(20.8)
Actuarial Gain/ (losses) on obligation	11.5	(0.6)
Closing defined benefit obligation	148.4	130.0

Changes in the fair value of plan assets for gratuity:

(Rs. in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	79.1	92.3
Expected return	7.0	8.2
Contributions by employer	6.3	0.7
Benefits paid	(15.6)	(20.5)
Actuarial Gain /(losses)	(0.9)	(1.6)
Closing fair value of plan assets	75.9	79.1

Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity:

Particulars	As at March 31, 2017	As at March 31, 2016
	%	%
Investments with insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date,applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining obligations for gratuity/compensated absences are shown below:

Particulars	As at March 31, 2017	As at March 31, 2016
	%	%
Discount rate	7.5	8.0
Expected rate of return on plan assets	8.3	8.9
Increase in compensation cost	5.0	5.0
Employee turnover:		
upto 30 years	10	10
above 30 years but upto 44 years	5	5
above 44 years	1	1

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Gratuity amount for the current and previous four periods are as follows:

(Rs. in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	148.4	130.0	127.7	115.3	128.2
Plan assets	75.9	79.1	92.3	95.0	100.8
Deficit	72.5	50.9	35.4	20.3	27.4
Experience adjustments on plan liabilities (Gain)/Loss	(4.7)	0.7	4.6	(28.5)	(21.2)
Experience adjustments on plan assets (Gain)/Loss	(0.9)	(1.6)	(0.5)	(0.5)	0.4

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(Rs. in million)

Defined Contribution Plan:	For the year ended March 31, 2017	For the year ended March 31, 2016
Contribution to provident fund and other funds charged to Statement of Profit and Loss	47.0	44.8

The Group expects to contribute Rs.20.8 million (Previous year Rs.22.9 million) to gratuity fund in the next financial year.

38. Auditors' remuneration:

(Rs. in million)

Particulars	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Parent Company#	Subsidiaries*	Joint Ventures*	Parent Company#	Subsidiaries*	Joint Venture*
As auditor						
- Audit fee	2.6	0.4	0.0	2.6	2.0	0.0
- Limited reviews fee	2.4	-	-	2.4	-	-
In other capacity						
- Management services	0.2	0.0	-	-	-	-
- Certification services	0.2	0.1	-	1.3	0.1	-
Reimbursement of out of pocket expenses	0.4	-	-	0.4	-	-
Total	5.8	0.5	0.0	6.7	2.1	0.0
Tax Auditor**	0.2	0.0	0.0	0.2	0.0	0.0
Cost Auditor**	0.1	0.0	-	0.1	0.0	-
Secretarial Auditor**	0.2	0.0	-	0.2	0.0	-

*Audited by other auditors ** Included in legal and professional charges #Excludes service tax

39. In view of absence of profits during financial years 2012-13 and 2013-14, the total remuneration paid to the Company's Managing/ Joint Managing and Whole-time Directors had exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 by Rs.29.1 million for the said years. Further, because of non-compliance to one of the conditions of Section II of Part II of Schedule V to the Companies Act, 2013, the remuneration amounting to Rs.2.6 million paid to a Whole-time Director during the year ended March 31, 2016 and remuneration amounting to Rs.43.0 million paid to six directors (Managing Director /Joint Managing Directors and Whole-time Directors) during the year ended March 31, 2017 required approval of the Central Government and the Company had filed the necessary applications in this regard. However, the Company's applications for approval of the aforesaid excess remuneration have not been approved by the Central Government and consequently the Company is required to recover the excess amount thus paid for the said years unless the recovery thereof is waived by the Central Government. For a thorough reconsideration of the matter, the Company has preferred to submit new applications to the Central Government for waiver of recovery of excess remuneration paid in respect of aforesaid financial years and is also in the process of completing the related procedural formalities. Pending the decision of the Central Government, the Company has recorded an amount of Rs.74.7 million as recoverable from such directors towards such excess remuneration paid. Based on management's assessment and legal advice obtained, the Company is confident of a favorable outcome for its applications.

40. During the year ended March 31, 2017, the Group has incurred losses of Rs.644.6 million (Previous year loss of Rs.182.9 million) after adjusting an exceptional item of Rs.75.5 million (Previous year Rs.496.5). The continuous losses have adversely affected the cash flows of the Company. These conditions, read with note 42, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Group has undertaken several measures to mitigate this risk, which include supply to UNICEF/other customers of pentavalent vaccine; initiating supply of oral polio vaccine from Baddi facility, entering into strategic alliances with domestic as well foreign collaborators for supply of products, launch of innovative new products, viz. CABAPAN (Cabazitaxel), tetravalent vaccine Easyfour-TT (DTwP-Hib), hexavalent vaccine EasySix™ (DTwP-HepB-Hib-IPV), expediting development of new products and monetization of non-core assets, etc. Based on above measures and continuous efforts to improve the business performance and as explained in note 42, the management believes that it would be able to generate sustainable cash flow, recover and recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and continue as a going concern

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41. On account of continuous losses of the Group, certain delays and defaults in repayment of loan installments (including interest thereon) have occurred during the year, which are described below:

(Rs. in million)

	Loan particulars	Amount of total installment along with interest	Due Date	Paid On
A.	Term Loans from banks/ Government Departments			
	Indian Overseas Bank- Term Loan	16.5	March 31, 2017	April 27, 2017
	State Bank of India- Term Loan – I	12.0	March 31, 2017	April 24, 2017
	State Bank of India- Term Loan – I	13.2	March 31, 2017	April 18, 2017
	State Bank of India- Term Loan – II	6.1	March 31, 2017	April 24, 2017
	State Bank of India- Term Loan – II	6.5	March 31, 2017	April 19, 2017
	EARC – Term Loan I	37.5	March 25, 2017	April 21, 2017
	EARC – Term Loan II	4.7	March 31, 2017	April 21, 2017
	Canara Bank- WCTL	0.3	March 31, 2017	April 21, 2017
	State Bank of India- WCTL	9.1	March 31, 2017	April 21, 2017
	Bank of India- WCTL	1.0	March 31, 2017	April 21, 2017
	Union Bank of India- WCTL	0.7	March 31, 2017	April 28, 2017
	Indian Overseas Bank- WCTL	0.7	March 31, 2017	April 24, 2017
	Canara Bank- FITL	0.2	March 31, 2017	April 21, 2017
	State Bank of India- FITL	11.4	March 31, 2017	April 21, 2017
	Bank of India- FITL	2.9	March 31, 2017	April 21, 2017
	Union Bank of India- FITL	0.5	March 31, 2017	April 28, 2017
	Indian Overseas bank- FITL	4.1	March 31, 2017	April 27, 2017
	Bank of Baroda- Term Loan	12.6	March 31, 2016	June 28, 2016
	Bank of Baroda- Term Loan	15.8	June 30, 2016	September 28, 2016
	Bank of Baroda- Term Loan	15.8	September 30, 2016	December 28, 2016
	Bank of Baroda- Term Loan	15.8	December 31, 2016	April 21, 2017
	Bank of Baroda- Term Loan-interest	15.8	March 31, 2017	April 21, 2017
	Bank of Baroda- Term Loan-interest	31.7	February 01 to March 31, 2016	April 2016 to June 2016
	Bank of Baroda- Term Loan-interest	31.3	May 01 - July 01, 2016	July 2016 to September, 2016
	Bank of Baroda- Term Loan-interest	31.0	August 01, 2016 to October 01, 2016	October, 2016 to December, 2016
	Bank of Baroda- Term Loan-interest	30.7	November 01, 2016 to January 01, 2017	January, 2017 to April, 2017
	Bank of Baroda- Term Loan-interest	29.6	February 01 – March 31, 2017	April 21, 2017
	Loan from Department of Science & Technology	2.5	September 21, 2016	September 30, 2016
	Loan From Biotechnology Industrial Research Assistance Council	8.4	March 31, 2017	April 24, 2017
B.	Other borrowings			
	Loan from Directors - Mr. Ravinder Jain	19.5	June 2014 to March 2017	Not paid due to CDR conditions
	Loan from Radhika Heights Limited	82.7	January 2014 - March 2017	
	Loan from Trinidhi Finance Private Limited	0.9	December 2013 - March 2017	

42. During the financial year 2014-15, the Company was sanctioned a Corporate Debt Restructuring ("CDR") scheme under the CDR mechanism of the Reserve Bank of India ("RBI") after attaining super-majority from its lender banks. The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the Master Restructuring Agreement ("MRA") as per CDR scheme, to the extent agreed with the banks. Completion of certain other terms and conditions are in progress and the management is confident that it will be able to comply with all key conditions of the CDR scheme.

Subsequently, in the financial year 2015-16, State Bank of Travancore ("SBT") and State Bank of Mysore ("SBM") had absolutely assigned all the rights, title and interests in financial assistance granted to the Company, with all the underlying rights, benefits and obligations in favor of Edelweiss Asset Reconstruction Company Limited ("EARC"). EARC restructured the SBT loan during the financial year 2015-16 and also provided 'in principle' approval for restructuring the SBM loan during the financial year 2016-17, which was acted upon by both parties. Pursuant to the said restructuring of the SBM loan, the Company has recorded Rs.75.5 million as an exceptional item during the current year, being the difference between the original loan amount and interest accrued thereon and the restructured amount. Further, during financial year, the Company has paid all its principal installments and interests with respect to the said restructured loans on time except for the installment due in March 2017 that was delayed due to reasons beyond the Company's control. The Company

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had informed EARC about the delay and sought additional time upto April 30, 2017 to pay the said installment. The aforesaid installment was subsequently paid on April 21, 2017 along with necessary additional interest. However, on April 11, 2017, EARC has sought to revoke the restructuring of the loans assigned to it by SBT and SBM and has claimed to reinstate the dues as per the original outstanding to SBT and SBM. The Company has discussed the matter with EARC as well as made presentations with the CDR Empowered Group ("CDR EG") that the revocation sought by EARC is unjustified and is not in consonance with the CDR guidelines. The matter is currently under consideration at CDR EG. Further, the EARC had informed the total outstanding loan of Rs.1,969.4 million as on March 31, 2017, which in Company's view is inaccurate and misleading and therefore has been disputed by the Company. As per the Company, the outstanding amount of such loans as on March 31, 2017 is Rs.1,227.2 million including accrued interest thereon. Based on the management's internal evaluation, legal advice obtained and discussions in the meeting with CDR EG held on May 25, 2017, the Company believes that outcome of the matter will be in Company's favour and accordingly no adjustments are considered necessary in the books of accounts.

43. During the year ended March 31, 2017, no exchange difference has been capitalised as there were no long term foreign currency monetary items related to acquisition of capital assets. During the financial year 2012-13, the Company exercised the option as per the Companies (Accounting Standards) (Second Amendment) Rules, 2011 whereby, exchange differences related to long term foreign currency monetary items so far as they relate to the acquisition of depreciable capital assets are capitalised or de-capitalised from cost of assets and depreciated over the useful life of the assets. In other cases, such exchange differences are accumulated in a "Foreign currency monetary item translation difference account" and amortised over the balance period of such long term assets/liabilities. Unamortised balance of "Foreign currency monetary item translation difference account" of Rs.100.2 million (Previous year Rs.207.7 million) as on March 31, 2017 is included in note 4 Reserves and Surplus.

44. 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. ("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. In view of ongoing discussions with the Developer and on the basis of the legal advice obtained, the Company believes that it has valid rights to claim the recovery of the advance paid to the Developer, in the form of either a refund or other properties. The Company believes that the advance given to the Developer is fully realisable as the market value of the properties under discussion is more than the advance given under the original agreement. Accordingly, no adjustments are considered necessary in the books of accounts.

45. As at March 31, 2016, a cumulative amount of Rs.353.4 million recognised by the Group as 'MAT Credit Entitlement' under the head 'Loans and advances' represented that portion of MAT liability, 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. As at March 31, 2017, the management, based on revised estimates of future profitability projections and other factors disclosed under note 40, expects that recoverable amount of MAT is Rs.329.0 million (including additional MAT credit of Rs.0.3 million in one of the group company) and accordingly has written off Rs.24.7 million as a tax expense.

46. The wholly owned subsidiary, Radhika Heights Limited ("RHL") along with its four subsidiaries had signed a term sheet dated September 03, 2012 with Bestech India Pvt. Ltd. ("Developer") for development of integrated township on its 108.713 acres land situated in Gurugram, Haryana. Since RHL and its subsidiaries were new in this business, after signing the Term Sheet they came to know that the Developer has signed a pro-Developer Term Sheet. RHL wanted to renegotiate the terms in fair and accurate manner as per market standards, but the Developer was not willing to re-negotiate the terms and was insisting that the old Term Sheet was valid and binding. While the fresh negotiations were on, suddenly the Developer sent Arbitration Notice on December 16, 2013 to RHL, invoking arbitration and filed petition under Section 9 of the Arbitration & Reconciliation Act with the Hon'ble District Court, Gurugram, and the matter was accordingly referred to the Arbitral Tribunal. The Hon'ble District Court vide its order dated February 12, 2014 also granted an interim stay over the land according to which RHL cannot sell, create any third party rights and interfere in any manner with the land.

Further, RHL moved a petition with the Hon'ble High Court at Chandigarh seeking cancellation of stay. In response, the Developer appealed to the Hon'ble High Court for extension of stay till the decision of the arbitral tribunal is granted. After hearing both the sides, the Hon'ble High Court at Chandigarh continued the stay over land till the decision of Arbitral Tribunal. While the arbitration proceedings are on, the management of the Group believes that RHL & its subsidiaries have a higher chance of winning. The liability, if any, cannot be quantified at this point of time.

47. As at March 31, 2017, the Company held 88.8% of total equity stake in its subsidiary, NewRise Healthcare Pvt. Ltd. The same has been reclassified as current investment as at March 31, 2017 since the Company intends to realize these investments with in the next twelve months. During April 2017, the Company had acquired the remaining equity shares from the minority shareholders therein and subsequently sold the entire 100% equity stake to Narayana Hrudayalaya Ltd. for an enterprise value of Rs.1,800.0 million.

48. The details of Specified Bank Notes ("SBNs") held and transacted by the Group during the period from November 08, 2016 to December 30, 2016 as provided in the table below:

(Rs. in million)

Particulars	Amount of SBNs	Amount of Other Denomination Notes	Total Amount
Closing cash in hand as on November 8, 2016	3.4	0.4	3.8
(+) Permitted receipts		0.2	0.2
(-) Permitted payments		0.0	0.0
(-) Amount deposited in Banks	3.4	-	3.4
Closing cash in hand as on December 30, 2016		0.6	0.6

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49. Additional information, as required to Consolidated Financial Statements pursuant to Schedule III to the Companies Act, 2013:

(Rs. in million)

Name of the Company	Net assets i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Holding Company	40.0%	1,587.6	62.0%	(399.4)
Parent's Subsidiaries- India				
NewRise Healthcare Private Limited	(1.7%)	(66.0)	23.7%	(152.8)
Radhika Heights Limited- Consolidated	59.7%	2,371.7	7.5%	(48.4)
Parent's Subsidiaries- Foreign				
Rees Investment Limited- Consolidated	0.0%	0.1	3.0%	(19.2)
Panacea Biotec (International) SA-Consolidated	0.8%	33.4	(2.1%)	13.4
Minority Interest in all subsidiaries	0.0%	-	(1.7%)	10.8
Associates (Investment as per the equity method)				
PanEra Biotec Private Limited	(0.1%)	(4.2)	7.9%	(51.1)
Joint Ventures				
Chiron Panacea Vaccines Private Limited (under liquidation)	1.3%	50.6	(0.3%)	2.1
Adveta Power Private Limited	0.0%	0.7	0.0%	-
Total	100.0%	3,973.9	100.0%	(644.6)

Note: The information in respect of above entities is extracted from their respective financial statements, which have been subject to audit by their respective auditors.

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

51. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of Board of Directors of Panacea Biotec Limited

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Place : New Delhi
Date : May 30, 2017

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

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Notes

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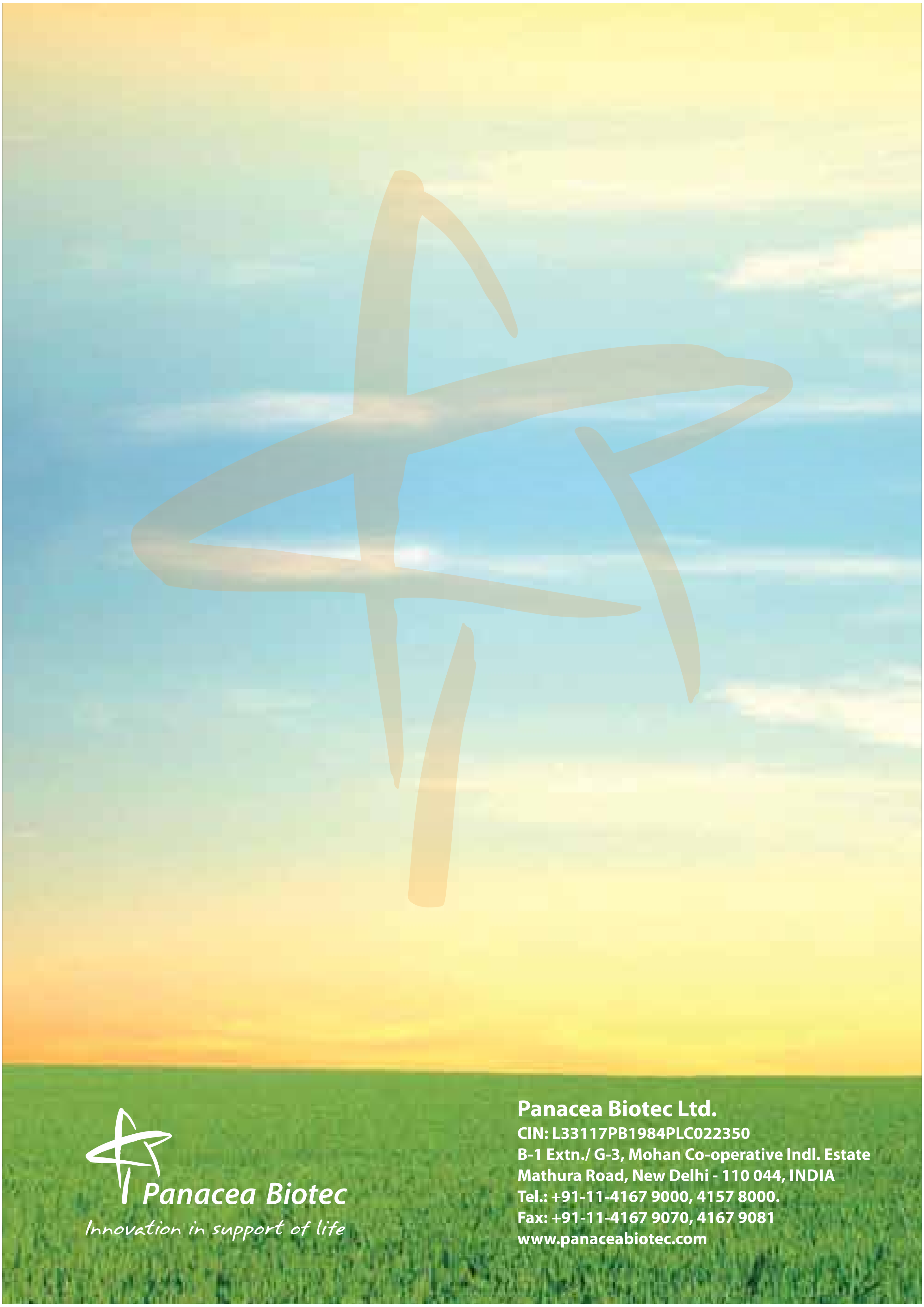

Panacea Biotec

Innovation in support of life

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