Panacea Biotec

Innovation in support of life

7th September, 2015

The Manager, Listing Department
The National Stock Exchange of India Ltd.,
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Reg.: Annual Report 2014-15 & Notice of 31st Annual General Meeting

Dear Sir,

Pursuant to provisions of clause 31 of the Listing Agreement, please find enclosed 6 (six) copies of the Annual Report for the financial year 2014-15 alongwith Form A, Form B and Notice convening the 31st Annual General Meeting of the Members of the Company scheduled to be held on Wednesday, the 30th day of September, 2015 at the Registered Office of the Company.

The same have been sent to the shareholders of the Company through e-mail/post/courier.

This is for your kind information and record please.

Thanking you,

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

Vinod Goel
Group CFO and Head Legal
& Company Secretary
Encl: As Above.

cc. 1. Corporate Relationship Department
BSE Limited,
1st Floor, New Trading Ring, Rotundu Building
P J Towers, Dalal Street, Fort,
Mumbai – 400 001

2. BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

B1 Extn. /G3, Mohan Co-op Indl. Estate,
Mathura Road, New Delhi -110044
Email: vinodgoel@panaceabiotec.com
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FORM A
(Pursuant to clause 31 of the Listing Agreement)

Covering letter of the Annual Audit Report to be filed with the Stock Exchanges
(SEBI Circular No. CIR/CFD/DIL/7/2012, dated 13 August 2012)

1	Name of the Company	**Panacea Biotec Limited**
2.	Annual Financial Statement for the year ended	**March 31, 2015**
3.	Type of Audit Observation	**Auditor's Report on Standalone Financial Statements:** The report of the statutory auditors contains the following Emphasis of Matter and observations in CARO on the standalone financial statements: **Emphasis of Matter** **Note 10 of Audit Report** We draw attention to Note 44 to the standalone financial statements regarding payment of managerial remuneration of Rs.37.5 million and Rs.37.2 million for the financial years ended March 31, 2014 and 2013 respectively, which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956, by Rs.13.5 million and Rs.13.2 million respectively. The Company has filed necessary application to the Central Government which is pending approval as on date. Pending the ultimate outcome of the aforesaid matter which is presently unascertainable, no adjustments have been recorded in the statement. Our report is not qualified in respect of this matter. **Note 11 of the Audit Report** We draw attention to note 45 to the standalone financial statements which indicates that the Company has incurred a net loss of Rs.652.3 million for the year ended March 31, 2015. Further as of that date, the Company's current liabilities exceeded its current assets by Rs.3,835.3 million. These conditions along with other matters as set forth in aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our report is not qualified in this respect of this matter. **Observations in CARO** **Clause (viii)** In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and the immediately preceding financial year.

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		Auditor's Report on Consolidated Financial Statements: The report of the statutory auditors contains the following Emphasis of Matter and observations in CARO on the consolidated financial statements: **<u>Emphasis of Matter</u>** **Note 12 of Audit Report** We draw attention to Note 41 to the consolidated financial statements regarding payment of managerial remuneration of Rs.37.5 million and Rs.37.2 million for the financial years ended March 31, 2014 and 2013 respectively, which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956, by Rs.13.5 million and Rs.13.2 million respectively. The Company has filed necessary application to the Central Government which is pending approval as on date. Pending the ultimate outcome of the aforesaid matter which is presently unascertainable, no adjustments have been recorded in the statement. Our report is not qualified in respect of this matter. **Note 13 of Audit Report** We draw attention to note 42 to the consolidated financial statement which indicates that the Group has incurred a net loss of Rs.1,064.9 million for the year ended March 31, 2015. Further as of that date, the Group's current liabilities exceeded its current assets by Rs.1,804.8 million. These conditions along with other matters as set forth in aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our report is not qualified in respect of this matter. **<u>Observations in CARO</u>** **Clause (viii)** In respect of Holding Company and four subsidiary companies incorporated in India, the accumulated losses at the end of the financial year are more than fifty percent of its net worth. The accumulated losses of one subsidiary company and one associate company incorporated in India at the end of the financial year are less than fifty percent of its net worth. The Holding Company and three subsidiary companies incorporated in India have incurred cash losses in the current and the immediately preceding financial year. Two subsidiary companies and one associate company incorporated in India have incurred cash losses in the current year but had not incurred cash losses in the immediately preceding financial year.

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4.	Frequency of Observation	**Observation on Standalone Financial Statements** **Emphasis of Matter in Note 10:** Emphasis of Matter with respect to managerial remuneration for the financial year 2012-13 has appeared third time and managerial remuneration for the financial year 2013-14 has appeared for second time. **Emphasis of Matter in Note 11:** Appeared for the second time **Observation in Clause (viii):** Appeared for the second time with respect to accumulated losses and fourth time for cash losses. **Observation on Consolidated Financial Statements** **Emphasis of Matter in Note 12:** Emphasis of Matter with respect to managerial remuneration for the financial year 2012-13 has appeared third time and managerial remuneration for the financial year 2013-14 has appeared for second time. **Emphasis of Matter in Note 13:** Appeared for the second time **Observation in Clause (viii):** Appeared for the first time
5.	Additional comments from the board/audit committee chair	In respect of Note 10 of Auditors Report on Standalone financial statements & Note no. 12 of Auditors Report on Consolidated financial statements: The Company has incurred losses in the respective years mainly due to the delisting of company's vaccine from WHO's list of pre-qualified vaccines in the financial year 2011-12. The Managerial Personnel have already voluntarily reduced their salary by 30-53% in the referred years. The Company has taken various measures as explained elsewhere in this report to regain its business. Further, the Company has already filed applications with Ministry of Corporate Affairs to obtain requisite approvals from Central Government in respect of such excess remuneration and requisite approvals are awaited. In respect of Note 11 of Auditors Report on Standalone financial statements & Note no. 13 of Auditors Report on Consolidated financial statements: The Company has undertaken several measures to mitigate this risk, which include supply to UNICEF/other customers of pentavalent vaccine; certain strategic alliances with foreign collaborators for supply of vaccines and pharma products including 3 collaboration agreements signed during the year

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		under review. The Company has also successfully executed the Master Restructuring Agreement (MRA) with the lenders of the Company and has complied with the key conditions and successfully implemented the MRA. Based on above measures and continuous efforts to improve the business, 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. In respect of observation in CARO on Standalone financial statements & Consolidated financial statements: The Company's accumulated losses as at March 31, 2013 had resulted into erosion of more than 50% of its peak net worth during the immediately preceding four financial years (as computed as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA")), the Company had made necessary reference on November 22, 2013 to the Board for Industrial and Financial Reconstruction (BIFR) pursuant to the provisions of SICA. The Company's accumulated losses as at March 31, 2015 continue to remain more than 50% of its peak net worth during the immediately preceding four financial years, as computed as per the provisions of SICA. In respect of auditors observation on subsidiary companies; The accumulated losses in these Companies at the end of the financial year are more than fifty percent of its net worth and they are in the process of exploring profitable & suitable avenues to gain future prospects and start over the business operations.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
Firm registration number: 001076N/N500013
Chartered Accountants

per **Anupam Kumar**
Partner
Membership No.: 501531

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Date: September 4, 2015
Place: New Delhi

For and on behalf of the Board

Dr. Rajesh Jain
Joint Managing Director

R.L. Narasimhan
Chairman of Audit Committee

Devender Gupta
Chief Financial Officer

FORM B
(Pursuant to clause 31 of the Listing Agreement)

Covering letter of the Annual Audit Report to be filed with the Stock Exchanges
(SEBI Circular No. CIR/CFD/DIL/7/2012, dated 13 August 2012)

1.	Name of the company	**Panacea Biotec Limited**
2.	Annual financial statements for the year ended	**March 31, 2015**
3.	Type of Audit observation	**Auditors' Report on Standalone Financial Statements:** The report of the statutory auditors contains the following qualification on the standalone financial statements: **Qualification** **Note 8 of Audit Report** As stated in note 54 to the standalone financial statements, during the year ended March 31, 2015, the Company had received advance research fees from a customer amounting to Rs. 197.2 million which has been accounted for as income from research and development. In our opinion, the recognition of such advances as income is not consistent with the revenue recognition principles prescribed under the Accounting Standard – 9 (AS-9) 'Revenue Recognition'. Had the Company followed the principles of AS-9 with respect to these amounts, the revenue for the year ended March 31, 2015 would have been lower by Rs. 197.2 million and the loss for the year ended March 31, 2015 would have been higher by Rs.197.2 million. Further, the reserves and surplus as at that date would have been lower by Rs.197.2 million and current liabilities as at that date would have been higher by Rs.197.2 million.
		Auditors' Report on Consolidated Financial Statements: The report of the statutory auditors contains the following qualification on the consolidated financial statements: **Qualification** **Note 8 of Audit Report** As stated in note 52 to the consolidated financial statements, during the year ended March 31, 2015, the Holding Company had received advance research fees from a customer amounting to Rs. 197.20 million which has been accounted for as income from research and development. In our opinion, the recognition of such advances as income is not consistent with the revenue recognition principles prescribed under the Accounting Standard – 9 (AS-9) 'Revenue Recognition'. Had the Company followed the principles of AS-9 with respect to these amounts, the revenue for the year ended March 31, 2015 would have been lower by Rs. 197.20 million and the loss for the year ended March 31, 2015 would have been higher by Rs. 197.20 million. Further, the reserves and surplus as at that date would have been lower by Rs. 197.20 million and current liabilities as at that date would have been higher by Rs. 197.20 million.

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		Note 9 of Audit Report As stated in Note 53 to the Consolidated Financial Statements, the independent auditors of NewRise Healthcare Private Limited (NHPL) , a subsidiary of the Company and PanEra Biotec Limited, an associate of the Company, have qualified their audit reports on the financial statements of these entities for the year ended 31 March 31, 2015 in respect of trade payables amounting to Rs. 142.43 million and outstanding capital advances amounting to Rs. 19.54 million which are subject to confirmations/ reconciliations. The consolidated financial statements do not include the impact of adjustments, if any which may arise out of completion of confirmation/ and reconciliation process. **Note 10 of the Audit Report** We did not audit the financial statements of two foreign subsidiaries, Rees Investments Limited and Kelisia Holding Limited, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 2.1 Million as at March 31, 2015, total revenues (after eliminating intra-group transactions) of Nil and net cash flows amounting to Rs. 1.3 Million for the year ended on that date. These financial statements are not audited and have been furnished to us by the Management and consequently we are unable to comment on adjustments that may have been required to the consolidated financial statements had such financial statements of the aforesaid subsidiaries been audited. Predecessor auditor's opinion on the consolidated financial statements for the previous year ended March 31, 2014 was also qualified in respect of the unaudited financial statements of Rees Investments Limited.
4.	Frequency of observation	**<u>Observation on Standalone Financial Statements</u>** **Qualification in Note 8:** Appeared for the first time **<u>Observation on Consolidated Financial Statements</u>** **Qualification in Note 8:** Appeared for the first time **Qualification in Note 9:** Appeared for the first time **Qualification in Note 10:** Appeared for the second time for Rees Investments Limited (Subsidiary) and for the first time for Kelisia Holding Limited (Subsidiary).

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5.	Attention to relevant notes in the annual financial statements & management response to the qualification in the Directors' Report.	**Qualification in Note 8 of Auditors Report on Standalone Financial Statements:** The Company has received Research and Development (R&D) fees of Rs. 197.2 million from a customer during year ended 31 March, 2015, and has accounted for these as income. Such R&D fees are non-refundable subject to certain pre-conditions (as defined in the agreement) being met by the Company. As the product is already available in the domestic market, the Company is reasonably certain of meeting the pre-conditions and therefore believes that the said fees should be accounted for as income.{Refer Note 53 of the standalone financial statements read with Management's response to the above observations under the heading "Auditors' Report" in the Directors' Report.
		Qualification in Note 8 of Auditors Report on Consolidated Financial Statements: The Company has received Research and Development (R&D) fees of Rs. 197.2 million from a customer during year ended 31 March, 2015, and has accounted for these as income. Such R&D fees are non-refundable subject to certain pre-conditions (as defined in the agreement) being met by the Company. As the product is already available in the domestic market, the Company is reasonably certain of meeting the pre-conditions and therefore believes that the said fees should be accounted for as income. (Refer Note 52 of the consolidated financial statements read with Management's response to the above observations under the heading "Auditors' Report" in the Directors' Report.) **Qualification in Note 9 of Auditors Report on Consolidated Financial Statements:** The statutory auditors of NewRise Healthcare Private Limited, a subsidiary of the Company, and PanEra Biotec Limited, an associate of the Company, in their respective audit reports have qualified trade payables amounting Rs.142.4 million and outstanding capital advances amounting Rs.19.4 million, which were subject to confirmations and reconciliations at the year end. The management is in the process of reconciling these balances with its vendors and is of the opinion that the result of reconciliations will not have any material impact on the consolidated financial statements of the Company. (Refer Note 53 of the consolidated financial statements read with Management's response to the above observations under the heading "Auditors' Report" in the Directors' Report.)

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		<u>Qualification in Note 10 of Auditors Report on Consolidated Financial Statements:</u> Unaudited Annual Accounts of the Subsidiary, Rees Investments Limited: Though the Annual Accounts were duly finalised & signed by its Board of Directors, the audit thereof could not be completed till the date on which the Company's consolidated accounts were finalised. Its auditors have since completed their audit and given their audit report on such accounts and there is no difference in the audited annual accounts thereof. (Refer Management's response to the above observations under the heading "Auditors' Report" in the Directors' Report)
6.	Additional comments from the board/audit committee chair	None

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
Firm registration number: 001076N/N500013
Chartered Accountants

per **Anupam Kumar**
Partner
Membership No.: 501531

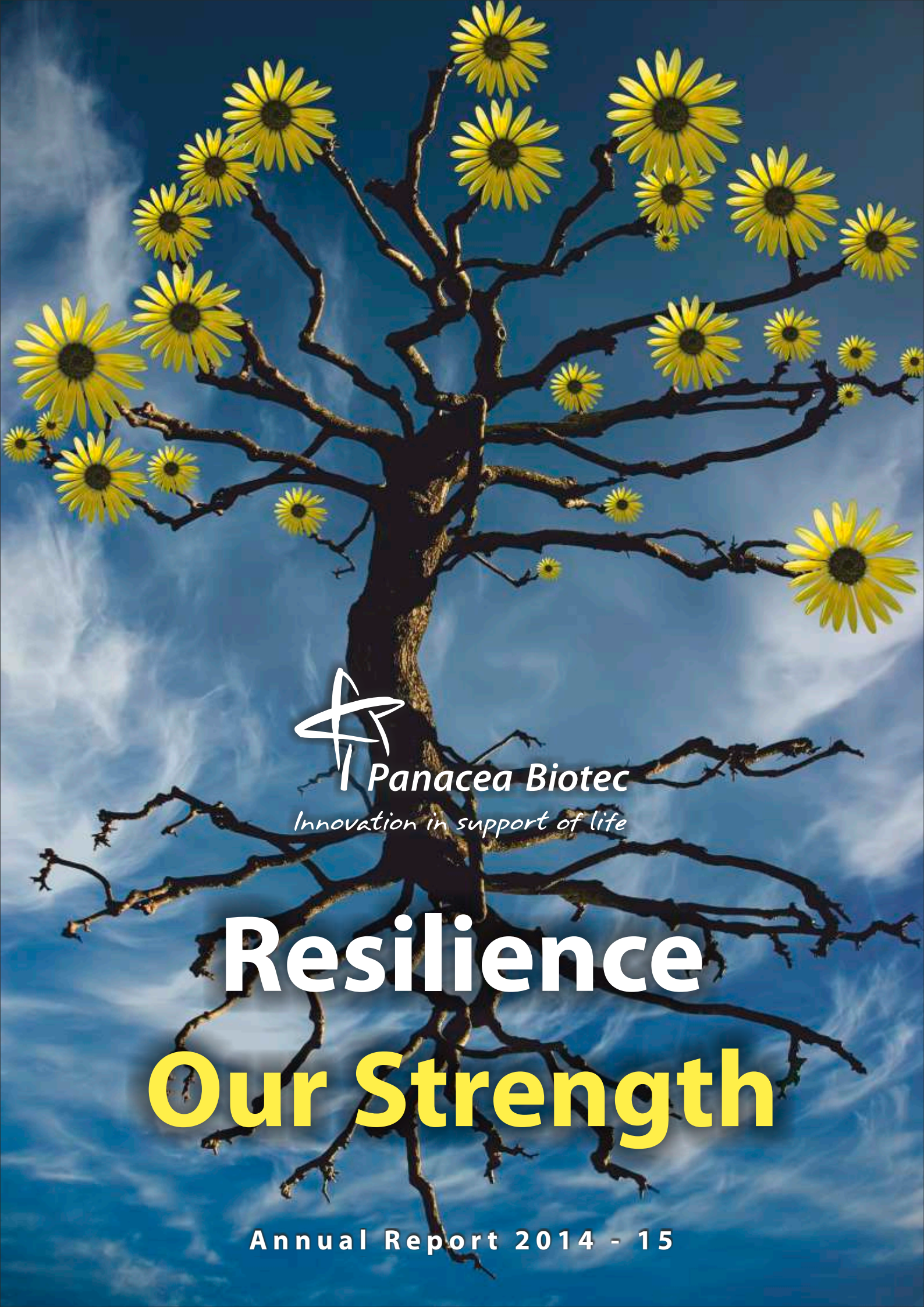
Date: September 4, 2015
Place: New Delhi

For and on behalf of the Board

Dr. Rajesh Jain
Joint Managing Director

R.L. Narasimhan
Chairman of Audit Committee

Devender Gupta
Chief Financial Officer



Panacea Biotec

Innovation in support of life

Resilience
Our Strength

Annual Report 2014 - 15

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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

Non-Executive Independent Directors

Mr. R.L. Narasimhan
Mr. N.N. Khamitkar
Mr. K.M. Lal
Dr. A.N. Saksena
Mr. O.P. Kelkar
Mrs. Manjula Upadhyay

Company Secretary

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

Chief Financial Officer

Mr. Devender Gupta - Chief Financial Officer & Head IT

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

B-1/E-12, Mohan Co-operative Indl. Estate
Mathura Road, New Delhi - 110 044, India

* As on August 13, 2015

www.panaceabiotec.com
CIN: L33117PB1984PLC022350

R&D Centers

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

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

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

OneStream Research Center
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, Gurgaon, 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
State Bank of Mysore
State Bank of Travancore
Union Bank of India

Resilience Our Strength

"More than education, more than experience, more than training, a person's level of resilience will determine who succeeds and who fails. That's true in the cancer ward, it's true in the Olympics, and it's true in the boardroom."

Resilience is neither ethically good nor bad. It is merely the skill and the capacity to be robust under conditions of enormous stress and change.

Resilient organizations possess three characteristics: a staunch acceptance of reality; a deep belief, often buttressed by strongly held values, that life is meaningful; and an uncanny ability to improvise. You can bounce back from hardship with just one or two of these qualities, but you will only be truly resilient with all three.

In the business world, an unblinking attitude is shared by executives at all the most successful companies. Resilient organizations have very sober and down-to-earth views of those parts of reality that matter for survival and success. That's not to say that optimism doesn't have its place: In turning around a demoralized sales force, for instance, conjuring a sense of possibility can be a very powerful tool. But for bigger challenges, a cool, almost pessimistic, sense of reality is far more important.

The ability to see reality is closely linked to the second building block of resilience, the propensity to make meaning of terrible times. We all know organizations that, under duress, throw up their hands and cry, "How can this be happening to us?" Such organizations see themselves as victims, and living through hardship carries no lessons for them. But resilient organizations devise constructs about their suffering to create some sort of meaning for themselves and others.

Since finding meaning in one's environment is such an important aspect of resilience, it should come as no surprise that the most successful organizations and people possess strong value systems. Strong values infuse an environment with meaning because they offer ways to interpret and shape events. While it's popular these days to ridicule values, it's surely no coincidence that the most resilient organizations in the world have been those having their immutable set of values. Businesses that survive also have their creeds, which give them purposes beyond just making money. Value systems at resilient companies change very little over the years and are used as scaffolding in times of trouble.

The third building block of resilience is the ability to make do with whatever is at hand. Indeed, companies that survive regard improvisation as a core skill.

Panacea Biotec as an organization has shown all the above inherent characteristics of a truly resilient organization having all the three core characteristics of Resilience. Panacea Biotec as a global health management company with a mission to bring about innovation in support of life in every situation is a testament to its firm belief in its abilities and reason for existence. This firm belief coupled with strong and deep rooted value system which flows directly from the top management to each and every employee of the organization gives us unparalleled strength to tide over any situations. The realization of each and every employee to make do with whatever is at hand and deliver the desired outcome by improvisation and innovation is the reason for our improved performance during the last year and we are now fully geared to ride the path of growth and good times in year ahead.

Mission	Vision	Goal	Objective
Innovation in Support of Life	Leading Health Management Company	To Meet Every Healthcare Need with a Panacea Biotec Brand and Service	Take Ideas from Grey Cell to Markets in a Proactive Manner

Our Values

Innovation

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

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

Integrity

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

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

Chairman's Message

"When we tackle obstacles, we find hidden reserves of courage and resilience we did not know we had. And it is only when we are faced"

Dr. APJ Abdul Kalam

Dear Shareholders,

I am happy to communicate with you once again on your Company's performance. Panacea Biotec's glorious past as a company with a remarkable history of research & development, manufacturing & marketing of pharmaceuticals, vaccines, bio-similars and natural products, consistent performance during the last year and bright future is reminiscent of the fact that your company is among the selected few companies in the world which has shown tremendous resilience in the best and worst of times. We have not compromised on our belief systems and values while pursuing the path of growth and culture of innovation in support of life. Company's mission of becoming one of the leading health management company in the world offering widest range of innovative products and services to meet every healthcare need of mankind remains intact. To achieve this, we have been working incessantly on developing & commercializing best-in-class medicines and expanding our business operations.

During the year, your company worked overtime to expand and strengthen what we believe is an exceptional portfolio of products and brands in global markets. The focus was on expansion of your Company's customer base and product portfolio for its existing products and brands and increasing market penetration in both established and emerging markets at global level.

The challenges and hardships faced by us in the last few years have helped us in becoming more resilient organization capable of withstanding and surmounting enormous challenges at the best and worst of times. Our resilience emanates from our ability to appreciate ground realities, our optimism, our values, our belief in innovation and investment in science & technology.

Vaccines business continues to be the core focus area for Panacea Biotec and vaccine segment has registered

Vision 2020

To be the Greatest, Largest and
the Most Admired Biotech Company

the outstanding growth of 107.2% with turnover of Rs. 2,763 million against Rs. 1,333 million in the previous year.

Apart from supplies to UNICEF, PAHO and other governments of several countries, the Company focuses on the emerging and ROW countries. Over the last couple of years strategic collaborations have been initiated in more than 35 countries with customized business models. Till date vaccines have been registered in 11 countries with further registrations in around 20 countries expected in the near future. The Company is targeting to enter emerging markets with sizeable birth cohort (3-5 mn) to expand its vaccine business.

As part of the long term growth strategy, the Company is developing several critical vaccines including the hexavalent vaccine, pneumococcal vaccine, Japanese encephalitis vaccine and Dengue vaccine.

There has been a significant improvement in performance during the year. The Company registered positive EBITDA of Rs.943.6 million as compared to negative EBITDA of Rs.828.5 million for fiscal year 2014 with remarkable growth of 36.5% in revenue over the previous year.

Your Company is now expanding its exports business with focus on the large regulated markets and emerging markets. The Company has already filed 6 ANDAs with the USFDA in last 3 years and is working on several other projects. The Company plans to launch these products in the regulated markets through strategic collaborations with leading local partners. During the year, Tacrolimus sales in USA has grown by 60% over last year and this growth momentum is expected to continue in the coming years. Your Company has entered into a strategic alliance with Apotex Inc. for development, license and supply of two high barriers to entry anti-cancer generic products based on nano-particle & liposomal technology for US, Canada, Australia and New Zealand markets.

Moreover the Company has forayed into the GCC markets by successfully registering its products in UAE and the commercialization of products is expected during the current financial year. The company is in final stages of commercialization of products in key markets in Middle East like Egypt and Saudi Arabia and in Latin American markets like Colombia and Uruguay. Further, the Company has laid down its strategic framework for the launch of its Oncology range of products in ROW markets.

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

Although the future is full of 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 consistent support, participation and guidance which we continue to count on as we forge ahead towards our destination.

Best wishes

Soshil Kumar Jain

Financial Highlights

Particulars	2014-15		2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Financial Performance	(Rs. in mn)	US$ mn**	(Rs. in mn)								
Net Turnover	6,432.2	102.9	4,671.4	5,304.2	6,883.8	11,304.6	8,843.7	7,734.2	8,304.4	8,315.5	5,363.5
Total Income	7,072.5	113.2	5,146.7	6,013.5	7,080.4	11,655.1	9,778.5	7,993.9	8,676.2	8,615.1	5,434.5
EBITDA	943.6	15.1	(922.3)	(840.9)	(939.1)	2,689.1	1,582.5	2,444.6	2,177.6	2,298.8	1,233.8
PBT	(633.4)	(10.1)	(4.2)	(2,506.3)	(2,629.5)	1,554.9	1,181.0	(923.7)	1,903.9	2,091.0	1,002.1
PAT	(652.3)	(10.4)	(4.2)	(2,301.3)	(2,077.9)	1,350.5	800.4	(690.5)	1,331.7	1,468.1	609.4
Cash Accurals	(91.1)	(1.5)	(690.4)	(1,251.7)	(1,165.5)	2,106.5	1,095.8	2,001.4	1,802.2	1,823.2	791.6
Equity Share Capital	61.3	1.0	61.3	61.3	61.3	61.3	66.8	66.8	66.8	65.8	57.2
Preference Share Capital	163.0	-	-	-	-	-	-	-	-		904.3
Reserves & Surplus	5,172.8	82.8	5,561.6	5,551.3	8,079.6	6,306.8	6,898.4	6,084.7	6,905.3	5,325.1	1,546.0
Shareholders' Funds	5,397.1	86.4	5,622.9	5,612.6	8,140.9	6,367.8	6,963.2	6,147.8	6,966.7	5,383.9	1,593.6
Total Liabilities	18,792.3	300.7	18,864.6	16,798.2	18,528.8	17,177.9	14,745.3	13,488.2	11,549.5	7,909.0	8,620.8
Net Fixed Assets	10,766.6	172.3	11,120.3	9,864.1	10,483.7	6,523.6	6,946.6	6,938.7	5,343.7	4,136.1	2,337.1
Total Assets	18,792.3	300.7	18,864.6	16,798.2	18,528.8	17,177.9	14,745.3	13,488.2	11,549.5	7,909.0	8,620.8
Shareholders Related Ratios											
Equity Dividend	-		-	-		75%	25%	-	100%	100%	100%
EPS (Basic)* (In Rs.)	(10.65)		(0.1)	(37.6)	(33.9)	21.4	12.0	(10.3)	20.1	23.7	9.9
Cash EPS (Basic)* (In Rs.)	0.1		11.2	(23.9)	(21.6)	30.4	19.3	30.0	27.3	29.5	13.1

* Per Equity Share of Re.1.each
** 1 US$ = Rs.62.49
Note: Figures in brackets are negative numbers

Pharmaceutical Formulations Facility, Baddi, Himachal Pradesh

Know us Better

Panacea Biotec is one of India's highly progressive, innovative health management company with established research, manufacturing and marketing capabilities. Panacea Biotec consistently focuses on merging the cutting-edge science and technology with its unwavering commitment to spread good health and healthy living by making novel and innovative medicines within the reach of the millions of families across the world to meet the unmet needs of patients at affordable prices.

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 has ultra-modern, state-of-the-art manufacturing facility for vaccines and pharmaceutical formulations which comply with the key International regulatory bodies like USFDA, BfArM Germany, ANVISA Brazil and WHO-cGMP standards and it has considerable presence in more than 40 countries. The product portfolio includes highly innovative prescription products in important therapeutic areas such as Pain management, Diabetes & Cardiovascular management, Oncology, Nephrology & Transplant management, Osteoporosis management, Gastro-intestinal care products and vaccines.

Bulk Antigen Vaccine Facility, at Lalru, Punjab

Core Strengths

Starting its journey from 1984, today Panacea Biotec has established a respectable position in the Indian Pharmaceutical Industry. At present, Panacea Biotec is a major player amid the top 10 largest Vaccine producers in India and is one of the leading Biotechnology Companies. Panace Biotec has also been ranked amongst top 60 Pharmaceutical Companies in India *(AIOCD-AWACS-MAT-June 2015)*. This achievement is based on the company's epicenter of strengths, which includes:-

STATE-OF-THE-ART MANUFACTURING FACILITIES

Panacea Biotec lays special emphasis and efforts on innovation & the quality of medicines. Driven by a commitment to continuously deliver value-added products and services to enable millions of people across the globe to live happier and healthier lives, company's professionals work persistently and passionately across myriad functions. The Company's pharmaceutical manufacturing facilities are approved by several International Regulatory Agencies including USFDA, BfArM Germany, ANVISA Brazil, etc. and its product portfolio has expanded internationally with its products reaching out to more than 40 countries.

STRONG BRAND PORTFOLIO

Panacea Biotec's product portfolio includes innovative prescription products in important therapeutic areas such as pain management, cardiovascular disease management, organ transplantation, diabetes management, renal disease management, oncology, anti-osteoporosis, anti-tubercular, gastro-intestinal care products and vaccines.

In India, Panacea Biotec's brand equity spans several branded pharmaceutical formulations and, its leading brands, such as Glizid-M, Glizid 40/80mg, Nimulid, Kondro OD, Livoluk, Panimun Bioral, PanGraf and Mycept, are amongst the top 5 positions in their respective therapeutic segments.

ESTABLISHED PARTNERSHIPS & GROWING ALLIANCES

Panacea Biotec has had a rich history of successful collaborations, ventures and business relationships with various bodies including several national/international research institutes, academic universities and commercial corporations and this is a key competitive strength for the Company. In addition to the strategic alliances with multinational and leading regional companies in United States, Europe, Latin America, South East Asia, CIS and Africa, Panacea Biotec has created a global presence through its wholly owned subsidiaries in strategic markets Germany and Switzerland. A successful business record of more than a decade with WHO & UNICEF in partnering the polio eradication initiative is another proud feat for the Company.

Think Medicine
Think India

ESTABLISHED RESEARCH & DEVELOPMENT CAPABILITIES

Panacea Biotec has four distinguished state-of-the-art multi-disciplinary R&D centers that specialise in the fields of new Vaccine Development, Biopharmaceuticals, Proteins, Peptides, Monoclonal Antibodies, NDDS, Advanced Drug Delivery System and Drug Discovery (small molecules) complying with international regulatory standards where over 130 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 Dept. of Scientific & Industrial Research, Ministry of Science & Technology, New Delhi. R&D activities continue to be the Company's core focus and around 7% of net turnover invested on R&D during fiscal 2015.

SKILLED & MOTIVATED TEAM

Panacea Biotec realizes that though individual performances can lead to sharp spikes in their growth, it is teamwork and a healthy work environment that can sustain a progressive, sky-facing trajectory of growth. There are around 2,700 people relentlessly working together to achieve the goal of meeting every healthcare need with a Panacea Biotec brand and service. The Company has more than 130 scientists, around 600 employees engaged in production and Quality Control/Quality Assurance and around 1,220 professionally trained and highly motivated employees engaged in sales, marketing and logistic activities.

QUALITY ASSURANCE

Quality is at the core of Panacea Biotec's business processes and systems. 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, ANVISA Brazil, 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 major milestones in its journey towards excellence and has acquired the much coveted WHO Pre-Qualification status for its pentavalent vaccine, Easyfive-TT.

Management Discussion & Analysis

Management Discussion & Analysis

Industry Structure & Developments

Global Vaccine Industry

Vaccine market, which was once considered as a commodity market, is now among the fastest developing markets for the global pharma industry. The global vaccine industry has witnessed impressive growth in recent times and has surpassed many of the traditional businesses in the global pharmaceutical market. It has now captured almost 3% of the overall global pharmaceutical industry. The growth in the global vaccine industry is fuelled by continuous product innovation, increasing awareness, availability of funding support and positive response from diverse demographics. In addition, increasing investments by government and non-government organizations to enhance vaccine research and supply worldwide is expected to further grow in the vaccine industry.

The global vaccines market is expected to reach US$57 billion by 2019 from US$33 billion in 2014, growing at a CAGR of 11.8% from 2014 to 2019. Among various end users, the pediatrics segment is expected to account for the largest share of the market with highest CAGR growth during 2014 to 2019. Growth in this segment can be attributed to the rising prevalence of diseases and the increasing number of initiatives taken by government organizations for vaccination programs.

Indian Vaccine Market

India has annual birth cohort of 27 million children and has become a home of approx. 6.8 million or roughly a third of the world's total unimmunized children. By increasing availability of vaccine for free, more than 100,000 deaths can be prevented annually.

Recently, the Government of India has decided to include four new life-saving vaccines protecting against rotavirus, rubella and inactivated poliovirus vaccine (IPV) which will be made available to all childrens through India's Universal Immunization Program (UIP), and Japanese encephalitis vaccines which will be introduced in 179 endemic districts across nine states. With the introduction of these four new vaccines, India can prevent an additional 100,000 infant deaths each year.

The Indian vaccine industry is currently estimated at over US$1 billion with a large portion of this getting exported out of India.

India, a world leader in vaccines, meets 60 percent of the world's supply and also produces more than 50 vaccines. Indian vaccines producers have shown their ability to produce both innovative and cost-effective vaccines to meet the global demand. On the back of strong focus of the Government on increasing the immunization activities across the country, increasing awareness, availability of affordable vaccines, the Indian vaccine industry is expected to continue to grow at a CAGR of 12-15% over the next five years.

Global Pharmaceutical Market

Global Pharmaceutical industry has played a unique role in developing new medicines and vaccines to prevent and treat diseases, and improve the lives of patients by focusing on research and development. The future success of the Industry is highly dependent on one side on the continuous innovation for prevention and treatment of common, complex, and neglected diseases and improvements in existing treatments on the other side.

The global pharmaceutical industry is estimated to have reached US$ 1,057 billion with 8.4% growth in year 2014. The industry is forecasted to grow to US$1,285 billion by 2018, with a CAGR of 5%.Oncology is the largest therapeutic segment in the global pharmaceutical industry followed by Anti-diabetics. North America occupied the first rank in the global pharmaceutical industry followed by the European Region.

The global pharmaceutical industry's future growth will be led by fast changing lifestyles, hectic routine daily activities, unhealthy eating habits, aging population, increasing pollution and environmental problems leading to increasing incidence of chronic diseases across the entire global population.

Specialty therapies continue to be more significant in developed markets than in emerging markets. Six of the top 20 categories in developed markets will face patent expiration in the next five years. Leading categories in emerging markets are dominated by pain, antibiotics and hypertension, while in developed markets specialty categories such as oncology and auto-immune diseases are more prominent.

Indian Pharmaceutical Market

India is now recognized as an eminent player in the global pharmaceutical sector. The country has a large pool of experienced & qualified scientists and engineers who have the potential to take the industry to a very high level. The Indian pharmaceuticals market is ranked as the third largest in terms of volume and thirteenth in terms of value in the global pharmaceutical industry. The branded generics, which constitute nearly 70 to 80 percent of the market, dominate the Indian pharmaceutical industry. The industry, which is considered to be a highly fragmented industry with about 24,000 players (330 in the organised sector), is consolidating its position through several mergers and acquisitions. The top ten companies make up for more than a third of the market. The market is dominated majorly by branded generics which constitutes of nearly 70% to 80% of market.

The IPM is valued at Rs.750 billion for the year ended March 2014.The growth in 2014 was subdued at 6% YoY vs 12% in 2013. The growth was impacted as the Drug Price Control

Order (DPCO) was issued to bring 348 drugs under price control. Despite this, the Indian pharma market remains one of the fastest growing pharma markets in the world. The IPM size is expected to grow to US$ 85 billion by 2020. The growth in Indian domestic market will be boosted by increasing consumer spending, rapid urbanization, increasing healthcare insurance and so on.

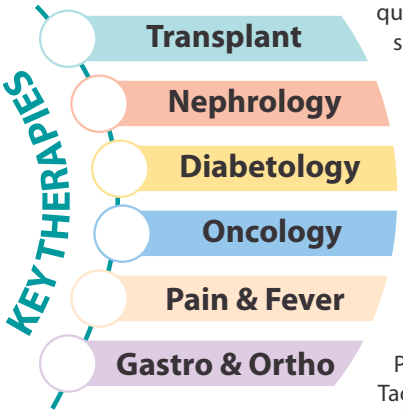
The life style segments such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers will continue to be lucrative and fast growing owing to increased urbanisation and change in lifestyle patterns. Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards these chronic therapies as these diseases are on the rise.

Panacea Biotec Business Segments

Pharmaceutical Formulations

Panacea Biotec has established itself as a research based pharmaceutical Company with 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.

The Company's brands, which are well recognized and respected by the medical fraternity, command significant market share in their respective therapeutic segments. According to AIOCD AWACS (MAT June 2015) sales data, Panacea Biotec is amongst the top 60 companies in the Indian Pharmaceutical Market. As per Stockist Secondary Audit of AIOCD AWACS (MAT June 2015), with 136th rank, Company's leading brand Glizid-M for diabetes management, features among the top 150 brands, in the Indian Pharmaceutical market and retains number one position within its therapeutic category.



The Company manufactures and markets dosage forms comprising of tablets, hard and soft gelatin capsules, ointments, gels, liquid orals and injectables. Panacea Biotec is exporting its products in international markets including USA, Germany, CIS countries, LATAM countries, Africa, Middle East and other Asian countries. The net revenues of pharmaceutical business have grown at a CAGR of around 10% from Rs.2,398.8 million in FY 2010 to Rs.3,790.7 million in FY 2015.

The Company is now in the process of expanding its exports business with focus on the large regulated markets and emerging markets. As a part of this, the Company has already filed 6 ANDAs with the USFDA in last 3 years and is working on several other projects. The Company plans to launch these products in the regulated markets through strategic collaborations with leading local partners.

Domestic Sales and Marketing

The domestic pharmaceutical business of the Company can be divided into two broad segments - Super Specialty segment and Acute & Chronic Care segment with each segment having three Strategic Business Units (SBUs).

The Super Specialty SBUs focus on Transplantation & Immunology, Nephrology and Oncology. The Acute & Chronic Care SBUs focus on Diabetes and related complications, Orthopaedics, Gastroenterology and Pain Management.

Each SBU aims to attain leadership position in its covered markets and establish brand equity in respective therapeutic segment by way of introducing innovative products. The SBUs promote a portfolio of brands to different specialties such as Orthopaedicians, Cardiologists, Diabetologists, General Physicians, Nephrologists, Oncologists, Haematologists, Chest Physicians, Surgeons, Dentists, Consulting Physicians, Pediatricians and Gastroenterologists.

The turnover from domestic pharmaceutical business has grown at a CAGR of around 7% from Rs.2,056.5 million in FY 2010 to Rs.2,872.7 million in FY 2015 with Diabetes & Cardiology and Transplantation segment being the top two therapeutic segments contributing around 28% and 30% respectively of the net domestic pharma revenues during the year under review.

Transplant & Immunology SBU

Panacea Biotec has always endeavored to provide high quality medicines at an affordable cost for significant improvement in quality of life for transplant recipient. The SBU achieved leadership position in 2008 and is still leading the market with an impressive market share of more than 30% amongst numerous regional and national players.

Transplantation & Immunology SBU has carved a niche amongst the transplant community with high focus on scientific & academic activities.

PanGraf continues to be no. 1 brand in Tacrolimus market in India with more than 50% market share. The SBU celebrated a decade of this flagship brand through academic colloquiums on theme of ***"A decade of Transplantation with Tacrolimus in India"***. More than 350 delegates graced the occasion with some keynotes by internationally recognized speakers.

Panacea Biotec has been at the forefront in establishing the importance & concept of "Therapeutic Drug Monitoring" in managing Transplant recipients in India.

Panimun Bioral continues to hold the No.1 position and

showing double digit growth in the de-growing Cyclosporine market. Mycept & Mycept-S has retained its No. 2 position in anti-metabolite segment.

In addition, the SBU caters to the critical therapy areas of Anti-Infectives (VagaCyte & Amphoject), Anti-Rejection (GrafMet), Adjunct Immuno-suppressants (EverGraf & Siropan) and Antimetabolites (Imuza) with an aim to provide complete and holistic care to a Transplant recipient.

Panacea Biotec has a dedicated patient assistance helpline "Light-house" which is India's first & largest transplant patient assistance helpline. The SBU is aggressively promoting the cause of cadaveric organ donation through various initiatives aimed at significantly enhancing awareness for organ donation in the country.

Nephrology SBU

Chronic kidney disease (CKD) is a global threat to health which is presently growing at 7%. In India 8% of total population is suffering from CKD and the number is increasing at fast pace. Approximately 90% patients cannot afford dialysis & cost of therapy. CKD is a progressive disease starting from stage II to 5D and ESRD (End Stage Renal Disease) where RRT (Renal Replacement Therapy) is the only option. These patients are managed for Renal Anemia, CKD-MBD (Mineral Bone Disease) disorder, Malnutrition & associated complications.

The Nephrology SBU is focused on providing "End to End solution in CKD management" thereby catering the needs of each and every CKD patient at all stages. The SBU is focused on the following therapy areas & brands: EPOTrust & Overcom (Renal Anemia); Alphadol, SevBait/SevBait-DT, Fosbait & Mimcipar (CKD-MBD portfolio); Proseventy & R enhold (Renal Nutrition) and K-bait (Hyperkalemia).

The SBU is geared up to be amongst top 5 companies by FY 2016-17 in highly commoditized market with more than fifty players. The SBU is committed to continue its legacy in building up a strong equity amongst 1450 Nephrologist & Physicians Pan India through our strong & committed field force with high scientific & academic orientation.

The CKD-MBD & Renal Anemia segments have the highest saliency of 45% & 41% respectively. EPOTrust remains the highest contributing brand with saliency of 38%. Sevbait DT is the fastest growing brand with differentiation of being the

only dispersible sevelamer carbonate ensuring high patient compliance. The SBU aims a high growth for its Renal nutrition portfolio by aggressive promotion of Proseventy (Only preparation offering 70% protein) & Renhold.

OncoTrust SBU

Today, cancer is one of the leading causes of mortality in the world. About 14 million new cancer cases are detected globally every year. Cancer is responsible for almost 8 million deaths globally or 14% of all human deaths. The rates are increasing as more people live to an old age and as lifestyle changes occur in the developing world. Most common types of cancer in males are prostate, lung, colorectal and stomach, and in females, the most common types are breast, colorectal, lung and cervical cancer.

Panacea Biotec through its SBU, OncoTrust, has established itself as an organization aiming to deliver quality and affordable medicine to improve the quality of life of cancer survivors. 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 of around 42 sales force across the country, it is covering almost 1800 Oncologist and all major Government and Corporate hospitals.

PacliALL has been a strong cornerstone in our endeavor to provide quality and affordable drugs to cancer survivors. This product is now one of the most admired brand for the treatment of Breast Cancer. Going forward the SBU has a strong lineup 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 effects other vital organs of the body like heart, eyes, kidneys, brain and nerves.

With a dedicated marketing and sales team of 350 people, Diacar Alpha focuses on specialties such as Endocrinologists, Diabetologists, Cardiologists and Physicians in a fiercely competitive anti-diabetic market.

The flagship brand of Diacar Alpha is Glizid-M (Gliclazide & Metformin) which is the No. 1 brand in its market segment and ranked at No. 134 in the top 150 brands in the Pharma industry. It is PBL's first brand in the pharmaceutical segment to cross annual revenue of over Rs.50 Crores. The other major brands of Diacar Alpha include Glizid (Gliclazide), Glizid-MR (Gliclazide Modified release), Betaglim (Glimepiride), Metlong (Metformin) used for the management of Diabetes,

Lower-A (Atorvastatin) used for the management of Dyslipidemia (an associated complication along with Diabetes) and Myelogen Forte (Methylcobalamin, Alpha Lipoic Acid, Enzogenol, Vitamin B 6 & Folic Acid) for the management of Neuropathy which has as high as 35% prevalence in Diabetics.

To help in the better management of Diabetes, the Company has introduced the unique combination of Gliclazide, Metformin and Voglibose under the brand name Glizid MV during the year under review.

Procare SBU

With an increasing incidence of chronic disorders such as Osteoarthritis and Osteoporosis alongside lifestyle disorders like Piles, Constipation and Acid Peptic Disorders, the Procare SBU of the Company is dedicated to the management of these key therapeutic areas with a focus on Orthopedicians, Gastroenterologists and General Surgeons.

With its flagship brand Sitcom (for the management of Piles) and strong legacy of Livoluk (for constipation), the SBU has in the recent past made its mark with the Kondro Range (comprising Kondro OD, Kondro Acute and Kondroflex, dedicated to the management of the various grades of Osteoarthritis). Today Sitcom, Livoluk and Kondro are the pillars of the Procare SBU contributing to 60% of its turnover.

With a 300-odd strong field force, bigger, more ambitious plans lie ahead for Procare in 2015-16 with a focus on further strengthening the SBU's representation in the market with a foray into Pain Management with 4 new brands Willgo P, Willgo TH4, Willgo TH8 and Willgo SP. All-in-all these products would contribute to further portraying the SBU's identity built of late as a strong Orthopedic player alongside its legacy Gastroenterologist image.

Growcare SBU

Growcare SBU focuses on Anti-haemorrhoidal, Pain, Cough & Cold, Vitamins and Anti-infective therapies. Growcare with its dedicated field force covers General physicians, Consulting Physicians, Paediatricians, General Surgeons and Dentists.

Growcare SBU has shown robust growth of 14% and two of its brands i.e. Thank OD and Nimulid are among the leaders in their respective therapeutic areas.

The brand portfolio of Growcare includes:

- Anti-haemorrhoidal : Thank OD tablet & cream, ThankOD Forte and ThankOD LD cream;
- Pain Management: Nimulid, Nimulid-MD (Mouth Dissolving), Nimulid-SP and Nimulid-HF;
- Cough, Cold and Fever: Toff Plus, Toff MD (Mouth Dissolving), Toff DC syrup and Toff Expectorant;
- Gastro intestinal: Livoluk Kid, Enba, FiberFos; and
- Anti-infectives: Valucef (Cefixime) , Valucef O (Cefixime & Ofloxacin) and Ocimix (Ornidazole).

With its high quality and technologically advance brands, Growcare's endeavour is to continuously work towards making life of patients suffering from painful haemorrhoids (Piles), Pain, Cough & cold better. It has robust plans to strengthen its position in market with existing brands as well as by way of launch of new technologically advanced brands to further strengthen its gastro-intestinal and pain management portfolio.

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

Capacity Utilisation & Business Enhancement (CUBE) SBU

As a part of the Company's strategy to maximize its capacity utilization to enhance its business, the Company has started focusing on out-licensing of its products to other leading companies and contract manufacturing of products of other companies at the Company's facilities, through its CUBE SBU. As part of this initiative, CUBE has out-licensed Company's research based products nab paclitaxel, bendamustin, cyclosporine and mycophenolate mofetel based formulations to other pharmaceutical Companies for sale in the domestic market on non-exclusive basis. During the year under review, the Company has registered revenues of around Rs.83.9 million from out-licensing of its products under segment.

CUBE has also expanded Company's existing contract manufacturing collaborations by adding few liquid formulations for selected international markets for one of the existing partner. The Company has also signed new contract manufacturing agreements with another leading international generic pharmaceutical company for manufacturing some of their products for domestic and international markets. During the year under review, the Company has registered 30% growth in its income from contract manufacturing operations which has grown to of Rs.55.1 million against Rs.42.4 million during previous financial year.

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New Product Launches

Panacea Biotec continues to expand its product portfolio by launching new products in the domestic pharmaceutical

market every year. During the year, the Company launched new products in various therapeutic categories including:

- Glizid MV (Voglibose, Gliclazide & Metformin Hydrochloride) – Anti-diabetic
- Calcom Plus (Coral Calcium, Vitamin D3 & Vitamin K2-7) – Orthopedic segment
- RF Willgo (Paracetamol and Aceclofenac) – Pain management
- Toff Plus (Paracetamol etc.) – Anti-cold

Brands Review, Standing and Market share

Over the years, Panacea Biotec has established leading brands that enjoy top of the mind recall by the medical fraternity. The Company's key brands across therapeutic categories and their ranking/market share in India include:

International Pharmaceuticals Business

Brands	Market Share %	Ranking
Diabetes and Cardiac Care:		
Glizid M	31.24	1
Glizid 40mg	33.90	1
Glizid 80mg	26.23	2
Glizid MR 30mg	16.02	3
Glizid MR 60mg	6.80	3
Glizid Total	10.30	4
Pain Management:		
Nimulid MR	10.92	2
Nimulid SP	10.44	2
Nimulid 100mg	7.28	2
Nimulid MD	5.96	3
Anti-arthritis & Anti-osteoporosis:		
Kondro OD	12.26	3
Kondro Acute	13.67	3
Gastrointestinal:		
Livoluk Fibre	43.78	1
Livoluk	4.28	4
Anti-haemorroidal:		
Sitcom Tabs	6.37	5

**Source: AIOCD AWACS JUNE'15.*
**Market Share and rank is calculated within its immediate operating market i.e. the strength or the immediate market (wherever applicable).*

The year under review was a year of consolidation and stabilization for the International pharmaceuticals business of the Company. The Company's international pharmaceutical formulation business has grown at a CAGR of around 22% from Rs.342.3 million in FY 2010 to Rs.918.0 million during FY 2015. The Company exports its products to over 20 countries including USA, Germany and Russia as the major markets.

Regulated Markets

North America: Regulated markets continued to be the focus of future growth of the Company. The Company had launched its first generic product Tacrolimus in USA in December 2012. During the year, Tacrolimus sales have grown by 60% over last year and this growth momentum is expected to continue in the coming years. Since 2012, the Company has filed 6 more ANDAs with the USFDA which are under registration. In addition a range of generic products with high market potential, high developmental barriers and less potential competition are under development in Immune-suppression, anti-cancer and ESRD therapies.

During the year, the Company has entered into a strategic alliance with Apotex Inc. for development, license and supply of two high barriers to entry anti-cancer generic products based on nano-particle & liposomal technology for US, Canada, Australia and New Zealand markets. In addition to receiving the upfront and milestone research fee payments, Panacea Biotec shall receive a share of the development cost and post commercialization of the products the profits shall be shared at a pre-agreed ratio between both the companies. Panacea Biotec shall undertake product development and shall manufacture and supply the products to Apotex, while Apotex shall be responsible for registration and commercialization activities in the territories.

Europe: The Company had launched generic product Tacrolimus in Germany in 2011 under the brand name of 'Tacpan' through Company's indirect wholly owned subsidiary company Panacea Biotec Germany GmbH (PBGG). Tacpan had become the second largest generic during last financial year, however due to some regulatory issues faced by the contract research organization which conducted studies for European filing, during the year Tacpan's sales in Germany have been affected. The Company is hopeful of resolving these issues by repeating the necessary studies. PBGG is in process of identifying and adding few more products in its portfolio through in-licensing from third parties.

Panacea Biotec (International) SA ("PBS") a wholly owned subsidiary based out of Switzerland, a strategic business outfit of the Company, has come a long way since its inception, establishing itself in the highly regulated markets like Australia, New Zealand, UAE, Malaysia. PBS has a collaborative business model, creating value for its partners by investing in niche product opportunities in critical care and innovative medical devices. During the year, PBS achieved a turnover of CHF 1.2 million (Rs.75 million) and net profit of CHF 0.1 million (Rs.6.25 million). PBS has strengthened its presence in Australia and New Zealand by launching two new niche products in 2014-15. With more than 10 products under registration, PBS is poised for healthy growth in revenue & profits in the coming years.

Rest of the World (ROW) Countries: The major highlights for the international pharmaceutical formulation business in ROW countries, during the year under review, include:

- The net revenues from ROW markets registered a growth of 18% over the last fiscal.

Global Market Presence

- The Company recorded significant growth across several regions in ROW markets out of which with Middle East and CIS contributing significantly to its growth.
- Panimun Bioral consolidated its position as the number 1 brand of immune-suppressants in Russia.
- The Company is no. 1 in Nephrology segment in Sri Lanka, Kenya & other South East Asian markets.
- 14 products were launched in 5 markets and business activities have been initiated in 2 new markets.

Moreover the Company has forayed into the GCC markets by successfully registering its products in UAE and the commercialization of products is expected during the current financial year. The company is in final stages of commercialization of products in key markets in Middle East like Egypt and Saudi Arabia and in Latin American markets like Colombia and Uruguay. Further, the Company has laid down its strategic framework for the launch of its Oncology range of products in ROW markets with efforts being made to ensure completion of registration for Oncology products across key markets.

Vaccines Business

Vaccines business continues to be the core focus area for Panacea Biotec. Panacea Biotec has developed some of the vaccines first time in the world including the fully liquid pentavalent vaccine Easyfive-TT, bivalent Oral Polio Vaccine and Monovalent Oral Polio Vaccine (Type I & Type III). The Company has played pivotal role in polio eradication from India & many other countries by having supplied over 10 billion doses of OPV in the last over ten years. Panacea Biotec has been one of the largest suppliers of vaccines to UNICEF/Govt. of India/PAHO etc. until 2011 and still continues to be a major supplier of pentavalent vaccine.

During the year under review, your Company has continued to supply Easyfive-TT Vaccines against long-term supply order received from UNICEF during previous financial year, for supply of vaccines for the calendar years 2014 to 2016. The Company has also won a national tender in Philippines for supply of Easyfive-TT vaccine and an order from Government of India for supply of Oral Polio Vaccines which have been the leading key drivers in the improved performance of the Company during the year under review.

Dr. Rajesh Jain, Joint MD with Mr. Bill Gates and other dignitaries on the occasion of Gavi Pledging Conference at Berlin

During the year, your Company has entered in strategic alliances with Canada's largest pharma company, Apotex Inc., for research, development, license and supply of two drug delivery-based generic products in the US, Canada, Australia and New Zealand markets and also entered into similar deal with US-based Rising Pharmaceuticals Inc. for an oral controlled release product in the CNS space. Similar collaboration has also been entered into with a leading Indian pharma company with extensive global operations, for the development and supply of a modified release immunosuppressant generic product in the US market.

As part of the long term growth strategy, the Company is developing several critical vaccines including the hexavalent vaccine, pneumococcal vaccine, Japanese encephalitis vaccine and Dengue vaccine.

Panacea Vaccines SBU

Panacea Vaccines SBU is focused on providing affordable and quality vaccines to all the needy children. The SBU currently has a brand portfolio of Easyfive-TT (DTwP-HepB-Hib),

Polprotec (Inactivated Polio Vaccine), NovoHib (Haemophilus Influenza Type B vaccine) and Primopol (Trivalent Oral Polio Vaccine).

With a strong field force of around 100 people, it covers around 15,000 paediatricians spread across India. Being in its second year of operations, the SBU has taken several customer focused initiatives which has strengthen its presence in the Indian vaccine market.

The flagship brand of Polprotec successfully attained the No.1 position with a market share of 55% in the IPV segment. Easyfive-TT continued its march and attained the No.3 position in the Pentavalent Vaccine segment.

Going forward, the portfolio of this SBU is proposed to be expanded by introducing Easyfour-TT and other vaccines which are currently under development in the Company.

International Vaccines Business

In the international markets, apart from supplies to UNICEF, PAHO and other governments of several countries, the Company focuses on the emerging and ROW countries. Over the last couple of years strategic collaborations have been initiated in more than 35 countries with customized business models. Till date vaccines have been registered in 11 countries with further registrations in around 20 countries expected in the near future. The Company is targeting to enter emerging markets with sizeable birth cohort (3-5 mn)

to expand business with a view to reduce dependence over institutional business.

Panacea Biotec is supporting global cause of providing affordable vaccines to the childrens across the globe. Your 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. Recently, your Company organized an Executive Committee Meeting of DCVMN at New Delhi.

Supply Chain Management & Logistics Network

Panacea Biotec has strong Supply Chain Management (SCM) systems designed for creating end-to-end visibility and controls right from sourcing of materials till collection of receivables in both Pharmaceuticals and Vaccines segments. The Company has developed customer centric SCM by way of giving the transparency of the customer requirement to all channel partners i.e. internally to the production, store, Quality Assurance, Quality Control, Logistics, Sales offices and externally to all vendors and service providers.

SCM is working on Recycle, Reuse & Reduce in all its functional areas. SCM is also helping in optimizing the Operating Cycle, Reducing Market Returns on Account of Breakage & Expiry, Reduction in SCM Costs by way of Reducing Transit Points & Optimization of Space.

Panacea Biotec Ltd. has strong logistics network comprising of one mother warehouse and 30 Sales Depots/CFA (comprising of 23 Pharma Sales Depots/CFAs & 7 Vaccine CFAs). Product availability across India is done through vast distributor network of 1500 Pharma Distributors and 325 Vaccine Distributors.

The Company has expertise in cold chain management for storage and distribution of Vaccines under monitored conditions using a system of Vaccine Vial Monitors, Data Loggers, Ice Boxes, Coolant, Cold Rooms and Refrigerated Vehicles and Tyvek Sheet for sending temperature controlled products overseas and across India. This ensures that the Vaccines remain safe and effective against changes in the variant temperature conditions during transit.

Manufacturing Facilities

The Company's manufacturing facilities for vaccines and pharmaceutical formulations are situated in India in Delhi, at Lalru in Punjab and at Baddi in Himachal Pradesh. The Company also has state of the art integrated facility for bulk vaccines, antigens & biopharmaceuticals at Lalru in Punjab. The manufacturing facilities have been set up in compliance

Pharmaceutical Formulations Facility, Baddi

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, Tablet-in-Tablet, Mini-tablets, Complex Sustained release coatings and Delayed release coatings. The facility has been approved by National Regulatory Authority of India (NRA), USFDA, BfArM Germanyand ANVISA Brazil etc. The facility has faced many regulatory audits and successfully received product approvals as under:

- Cleared 3 audits from USFDA,
- Cleared audit from BfArM Germany, and
- 161 products approval received from 14 countries.

The Company also has recently set up an Cytotoxic (Anti-Cancer) Formulation facility at Baddi, Himachal Pradesh, with two lines dedicated for liquid & lyophilized vials as well as pilot scale up batches complying to USFDA, EU, ROW and cGMP norms. Oncology facility is equipped for manufacturing conventional, nano particular, liposomal and lyophilized products. The Company has already filed its first ANDA with USFDA from this facility in June, 2014.

Pharmaceutical Formulations Facility in New Delhi

The Company's pharmaceuticals formulation facility in New Delhi caters to the requirements of some products for emerging and ROW markets.

Vaccines Formulation Facility at Baddi

The Company's state-of-the-art vaccine formulation facility at Baddi in Himachal Pradesh, located in a complex of 23 acres of land, comprises of two blocks and had started its operations in year 2008. The facility consists of production, quality control and quality assurance, warehousing and cold storage facility.

The facility has two independent formulation suites and filling lines for injectable liquid Vaccines in pre-filled syringe (PFS) and liquid & lyophilized Vaccines in vials. The total filling capacity of this facility is 600 million doses per annum capable of being increased by addition of third line to around one billion doses per annum. The facility has been approved by Indian NRA & licensed to produce 8 vaccines in different presentations for Indian and export market. The facility is also pre-qualified by WHO for the pentavalent vaccine Easyfive-TT.

The Company's vaccine formulation facility at Okhla, New Delhi which was engaged in manufacture of Oral Polio Vaccines (OPV), was facing constant losses due to low orders, excessive competition and declining demand due to Polio eradication in India which resulted in low capacity utilization and the Company has decided to shift the facility to the Company's vaccine formulation facility situated at Malpur, Baddi, Himachal Pradesh in order to optimize the production and being cost effective in a highly competitive vaccine business.

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 cell culture based vaccines and biopharmaceuticals is also established which comprises of three independent suites dedicated for manufacture of 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.

Festival of colours being celebrated at GRAND, Mumbai

The Company currently manufactures Recombinant Hepatitis B surface antigen, Haemophilus influenzae type B conjugate bulk (Hib-TT) Diphtheria, Tetanus Toxoids & Whole cell Pertussis. The facilities for the manufacture of Recombinant Hepatitis B surface antigen, Haemophilus influenzae type B conjugate bulk (Hib-TT) have been approved by Indian NRA and WHO.

Research & Development

Research & Development is integral part of the Panacea Biotec's core business strategy. The Company has four R&D centers manned with over 100 scientists working on several key projects in vaccines, pharmaceutical formulations and biopharmaceuticals.

Global Research and Development (GRAND) Center, Navi Mumbai

GRAND Center develops products for global markets. It is spread over an area of 3,600 sqm and has about 23 dedicated scientists. The centre's focus areas are in the fields of Oncology and Organ Transplantation, amongst others. Its capabilities include delivery conceptualization to PK proof of

concept in areas of nanoparticles, liposomes, micro-particles, gastro retention and oral films.

The R&D Center has successfully completed development of 5 key projects enabling the Company to file the ANDAs with USFDA. The R&D center has also developed a portfolio of oncological products enabling the Company to shift their production in-house at its Baddi oncology facility. Key products already commercialized in India include PacliALL, Bemustin and Docetaxel. It is also developing several other critical projects for global markets.

SAMPANN Drug Delivery R&D Center, Lalru, Punjab

Sampann Center focuses on research and development of generics and NDDS technologies such as depot injections, oral modified release, SMEDDS in soft gels, MD tablets, critical dose drugs and bio-therapeutics. It also supports vaccine formulation development for the Company and employs about 35 scientists.

Spread over an area of 3,810 sqm, pharmaceutical research is conducted using various innovative technologies such as hydro gel based topical drug delivery system of peptides and herbal drugs, solid dispersion for highly variable drugs, self-emulsifying drug delivery system (SEDDS) and controlled release drug delivery systems in different therapeutic areas.

Key products developed by Sampann and launched over the years include Pangraf (for global markets) and Glizid, Betaglim, Lower A10 & A20, Mycept 750, Mycept S, Metlong, Metlong DS, Panimun Bioral, Glizid MR 30mg, Sitcom, ThankOD, ThankOD Forte, Livoluk fibre, SevBait-DT, TecPara and Delupa for domestic and ROW markets. This Center is also working on several projects for global markets.

Sampann is also supporting in the development of new generation vaccines like Pneumococcal Conjugate Vaccine 10-valent (Nucovac) and Dengue tetravalent vaccine, Easyfour-Pol and Easysix vaccine, Sabin-Inactivated Polio vaccine (S-IPV), Tetanus vaccine, indigenous Pentavalent vaccine, Japanese Encephalitis (JE) vaccine and Measles vaccine.

LAKSH Drug Discovery R&D Center, Mohali, Punjab

Laksh Center is spread over 70,000 sq. ft. and employs around 34 scientists. It focusses on development of New Chemical Entities (NCEs, small molecules) and API research.

This R&D center 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, efforts are on to develop a formulation for once a week dosing.

10 PCT applications and more than 50 patent applications in national phases have been filed from this Center. One of the patents has already been granted in the US. The R&D center has recently started revenue generation activities by focusing on value added contract research activities.

OneStream Research Center, New Delhi

OneStream Center which is spread over 26,000 Sq. ft. area, has 14 scientists and is dedicated to carry out extensive research in vaccines and biologicals using genetic engineering, molecular biology, genomics tools, animal cell culture, fermentation, purification, formulation, serology and analytical testing techniques.

The center has well-established P3 facility to handle pathogenic viruses like H1N1, seasonal flu and JE virus. The center has also indigenously developed and licensed Pandyflu against H1N1 virus. OneStream Centre is engaged in research of new generation vaccines like Pneumococcal Conjugate Vaccine 10-valent (Nucovac), Dengue tetravalent vaccine, Sabin-Inactivated Polio vaccine (s-IPV), Japanese encephalitis (JE) vaccine, etc.

LAKSH Drug Discovery Research and Development Center, Mohali

OneStream Research Center, New Delhi

Intellectual Property

The Company has filed more than 1,500 patent applications worldwide including 230 patent applications in India for different products/ technologies. The Company has been instrumental in filing foreign applications through PCT route and has filed around 100 International patent applications through this route. About 450 patent applications have been granted / accepted for grant including 8 patents granted in Europe, USA and Japan and 3 patents in India during the year under review.

The Company has filed more than 700 applications for trademark registration out of which 451 have been registered including 10 applications registered during the year. In addition, the Company has also filed 516 International Trademark applications out of which 307 have been granted. The Company had filed 222 applications for registration of Copyrights of which 167 had been registered.

Human Resources

Panacea Biotec believes that employees are the mainstay for a progressive organization. The paradigm shift to be business partner, with technology as its spine, the focus has shifted towards providing newer challenges to employees to continuously augment towards enriching life.

The Company has a total manpower strength of around 2,700 employees out of which over 740 are skilled employees including corporate and managerial staff, sales staff and staff located at its manufacturing facilities. There are around 130 scientists engaged in R&D centers, around 600 employees engaged in production, Quality Control & Quality Assurance and around 1,220 engaged in sales, marketing and logistics.

To keep the employees enthused and striving towards organisation goals, it is essential to make the workplace gratifying.

As an organisation, Panacea Biotec has been focused to nurture its core values and strongly believes that fostering humane value has led it towards the path of "preferred employer". Talent acquisition is a way to build organization culture and lead the path to embark on a journey towards – ONE CLICK, ZERO SLIP & ZERO DEFECT.

During the year, HR Team conducted 3 recruitment drives for diversified portfolios at plant operations and R&D Levels. Walk-ins were conducted at Hyderabad, Bengaluru, Ahmedabad, Mumbai, Goa and Chandigarh which witnessed the footfall of about 800 in count. With close to 200 shortlisted candidates, approximately 50 candidates have been offered position at various levels and are currently the part of the Panacea's Family.

A rich mix of talent from across boundaries, are becoming vital propeller for organization growth. The connect between individual goals and organization milestones towards journey of VISION 2020 is stronger than ever.

The Company continues to strive at providing employees with a rewarding, productive and successful association. The Company's HR strategies are aimed at finding a balance between reducing costs and investing in the added value of employees.

Information Technology

Information Technology has become an inherent part of the business landscape. Panacea Biotec has effectively leveraged the benefit of information technology by doing automation of the processes. Panacea Biotec is already taking the benefit of the ERP system SAP (for accounting, production, materials management, HR & payroll etc.), SFA (sales force automation) and other different software in the different functions of the business. The Company has also automatized leave, purchase requisition and purchase order approval system through mails.

The company is planning to enter into relationship with some global vendors in terms of IT services to get effective service with cost benefit. Panacea Biotec always puts its effort to fulfill the compliance requirements for Software and Licenses, and also closely monitor and control the installation of software and licenses.

Internal Audit & 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 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 and 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.

The internal control systems are further tested on a sample basis by internal auditors every quarter and also by competent personnel of the Company and are reviewed by the Management to ensure that processes and controls are in place and working as intended in achieving efficiency of operations, customer focus, financial reporting and compliance of applicable contracts, laws, rules and regulations. The Company controls its revenue and capital expenditure budgets through an effective SAP fund management module.

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.

Financial Performance

Summarized Balance Sheet

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31,2014
Sources of Funds:		
Shareholders' Funds	5,397.1	5,622.9
Non-current liabilities	6,408.2	4,934.8
Current liabilities	6,987.0	8,306.9
Total Liabilities	18,792.3	18,864.6
Application of Funds:		
Fixed assets	10,766.6	11,120.3
Non-current investments	3,946.6	3,942.0
Long-term loans and advances	926.8	889.4
Other non-current assets	0.6	1.8
Current assets	3,151.7	2,911.1
Total Assets	18,792.3	18,864.6

Shareholders' Funds: The Company's Shareholders' Funds as at March 31, 2015 has decreased to Rs.5,397.1 million as compared to Rs.5,622.9 million as at March 31, 2014. During the year under review, the Company has issued 16,300,000, 0.5% Cumulative Non-convertible and non-participating Redeemable Preference Shares of Rs.10 each aggregating Rs.163.0 million. Further, the Company has suffered financial loss of Rs.652.3 million during the year under review.

Non-Current Liabilities: Non-current liabilities include long term borrowings, deferred tax liabilities and long term provisions. The Non-current liabilities as at March 31, 2015 have increased to Rs.6,408.2 million as against Rs.4,934.8 million as at March 31, 2014, mainly due to restructuring of the Company's Debts under the Corporate Debt Restructuring Scheme approved by the CDR-EG during the year under review which included creation of working capital term loan of Rs.207.1 million and Funded Interest Term loan of Rs.309.0 million besides rescheduling the installments of the principal amounts.

Current Liabilities: Current liabilities include short term borrowings, trade payables, other current liabilities including current maturities of long term borrowings and short term provisions. The current liabilities as at March 31, 2015, have decreased to Rs.6,987.0 million as compared to Rs.8,306.9 million as at the end of the previous year, mainly due to decrease in the trade payables on account of payment of vendors and reduction in the current maturities of long term borrowing on account of restructuring of the Company's as mentioned above.

Fixed Assets: The net fixed assets marginally decreased to Rs.10,766.6 million as against Rs.11,120.3 million as at the end of the previous year, mainly due to depreciation amounting to Rs.657.4 million charged during the financial year 2014-15. During the year, the Company has revalued its land & building, which resulted into increase in value of fixed assets by Rs.268.9 million.

Non-current investments: The non-current investments remain almost the same at Rs.3,946.6 million as compared to Rs.3,942.0 million as at the end of previous year. There is no significant change in the non-current investments during the year under review.

Long-term loans and advances: The long term loans & advances have increased to Rs.926.8 million as against Rs.889.4 million as at the end of the previous year.

Current Assets: Current Assets include trade receivables, inventories, cash & bank balances, short term loans & advances and other current assets. Trade receivables and short term loans & advances have increased to Rs.1,004.3 million and Rs.264.2 million respectively as at the end of fiscal year 2015 as compared to Rs.905.8 million and Rs.102.0 million respectively as at the end of previous year. The inventories have decreased to Rs.1,409.0 million as at the end of fiscal year 2015 as compared to Rs.1,767.6 million as at the end of previous year primarily on account of operational efficiency.

Summarized Profit & Loss Account

(Rs. in million)

Particulars	For the year ended	
	31.03.2015	31.03.2014
Net Turnover	6,432.4	4,671.4
Other Operating Income	359.6	304.3
Revenue from operations (net)	6,792.0	4,975.7
Other Income	280.5	171.0
Materials & Finished Goods Purchases	2,886.0	2,080.8
Employee benefits expense	1,332.3	1,427.3
Other expenses	1,910.6	2,467.1
Earnings before Interest, Depreciation, Taxes & Amortization (EBITDA)	943.6	(828.5)
Interest & Bank Charges	919.6	1,457.9
Depreciation and amortization expense	657.4	688.0
Profit/ (Loss) before tax and exceptional items	(633.4)	(2,974.4)
Exceptional items	-	2,970.2
Profit/ (Loss) Before Tax (PBT)	(633.4)	(4.2)
Provision for Taxes (including deferred tax)	18.9	-
Profit/(Loss) After Tax (PAT)	(652.3)	(4.2)

Segment-wise Net Turnover

The vaccines segment registered a growth of more than 107.2% with turnover of Rs.2,763.0 million as against Rs.1,333.4 million during the previous financial year. The formulations segment registered a growth of 7.6% with turnover of Rs.3,790.7 million as against Rs.3,523.9 million during the previous financial year. The Research & Development segment registered a growth of 37.7% with turnover of Rs.238.3 million as against Rs.173.0 million during the previous year.

(Rs. in million)

Fiscal	2015		2014	
	Rs. Million	%	Rs. Million	%
Vaccines	2,723.9	42.4	1,278.5	27.4
Pharmaceutical Formulations	3,707.7	57.6	3,392.9	72.6
Total	6,431.6	100.0	4,671.4	100.0

Expenditures

Materials & Finished Goods purchases: The raw & packing materials and finished goods purchases during the year under review have increased by 38.7% at Rs.2,886.0 million as against Rs.2,080.8 million during the previous financial year mainly on account of increased Net Turnover.

Employee benefits expense: The employee benefits expenses have decreased by 6.7% to Rs.1,332.3 million for fiscal year 2015 from Rs.1,427.3 million for fiscal year 2014. The employee benefit expenses as percentage of net turnover has however reduced significantly from 31% to 21% of Net Turnover of the respective financial year, mainly due to improved performance and cost cutting initiatives.

Other Expenses: The other expenses decreased by 22.6% to Rs.1,910.6 million for fiscal year 2015 from Rs.2,467.1million for fiscal year 2014 mainly on account of better recoveries, improved performance and other cost cutting initiatives.

Finance costs: Finance costs comprising of Interest and Bank charges decreased significantly by 37.0% to Rs.919.6 million during fiscal year 2015 as against Rs.1,457.9 million during fiscal year 2014 primarily on account of reduction in rates of interest upon restructuring of the Company's debts under the CDR mechanism.

Depreciation and amortization expenses: Depreciation for the year under review is Rs.657.4 million as compared to Rs.688.0 million during previous financial year.

Profitability

Earnings before Interest, Tax, Depreciation & Amortizations (EBITDA): There has been a significant improvement in performance during the year. The Company registered positive EBITDA of Rs.943.6 million for fiscal year 2015 as compared to negative EBITDA of Rs.828.5 million for fiscal year 2014 due to reasons explained above.

Profit/(Loss) Before tax and exceptional items: The Company's loss before tax and exceptional items has reduced significantly during the year under review to Rs.633.4 million as against Rs.2,974.4 million for fiscal 2014 on account of improved financial performance, restructuring of Company's debts and other reasons as explained above.

Profit/(Loss) Before Tax (PBT): The Company incurred a loss before tax of Rs.633.4 million for fiscal year 2015 as against loss before tax of Rs.4.2 million for fiscal 2013 due to reasons explained above.

Profit/(Loss) After Tax (PAT): The loss after tax and extra-ordinary items was Rs.652.3 million for fiscal year 2015 as against loss of Rs.4.2 million for fiscal year 2014 due to reasons explained above.

Earnings per Share (EPS): The basic and diluted EPS stood negative at Rs.10.65 per share for fiscal year 2015 as compared to positive EPS of Rs.0.07 per share for the fiscal year 2014 due to reasons explained above.

Cash Flow Statement

(Rs. in million)

Cash Flows from:	Fiscal 2015	Fiscal 2014
Operating Activities	447.4	531.7
Investing Activities	(292.4)	(183.0)
Financing Activities	(108.7)	(377.8)
Net Cash Flows	46.3	(29.1)

Cash Flow from Operating Activities: The net cash inflows from operating activities during fiscal year 2015 was Rs.447.4 million as compared to net cash inflows of Rs.531.7 million during fiscal year 2014. The variation is primarily on account of decrease in trade payables.

Cash Flow from Investing Activities: Net cash used in investing activities increased to Rs.292.4 million as against Rs.183.0 million during previous year primarily on account of increase in the margin money provided to banks against the non-fund based working capital limits.

Cash Flow from Financing Activities: Net cash outflow from Financing Activities reduced to Rs.108.7 million during fiscal 2015 as against net cash outflow of Rs.377.8 million during previous year, mainly on account of reduction in the payment of interest on borrowings due to debt restructuring.

Consolidated Financial Statement

The consolidated net revenue from operations of the group has increased to Rs.6872.0 million during fiscal 2015 as compared to Rs.5,153.7 million during previous year. The consolidated EBITDA was Rs.711.6 million for fiscal 2015 as compared to negative EBITDA of Rs.639.2 million for fiscal 2014. On consolidated basis, group has incurred loss before tax of Rs.994.0 million for fiscal year 2015 as against loss before tax of Rs.1,109.6 million for fiscal 2014. The consolidated loss after tax was Rs.1064.9 million for fiscal year 2015 against loss after tax of Rs.1,121.3 million for fiscal year 2014.

Opportunities and Outlook

Indian pharmaceutical industry is one of the largest and most advanced pharma industries in the developing world. The Indian pharma industry ranks 4th in terms of volume and 13th in terms of value globally. India has the highest number of USFDA approved plants outside the US and is the largest producer accounting for around 10% in volume terms and around 1.5% share in value terms of the total global pharma market. The expertise of Indian pharma companies in manufacturing low cost qualitative products and research & development offers a huge opportunity to the industry.

SWOT Analysis

Strengths

- Manufacturing Infrastructure: India Inc. has invested heavily in building one of the largest manufacturing infrastructures to produce high quality medicines at affordable prices for global markets.
- Robust pipeline of generic drug filings in US & other markets resulting from significant investment of resources by Indian Companies.
- Strong Talent pool: India has one of the strongest talent pools in pharmaceutical industry. Indian companies are considered as a partner of choice by large global companies for collaborations in the field of R&D or manufacturing etc.
- Competitive product costs as compared to production costs in the developed markets.

Weakness

- Availability 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.
- Increasing Price Control Regulations: The increasing number of drugs under price control is a matter of great concern among the Indians well as international pharma companies operating in India. The recent decision of National Pharmaceutical Pricing Authority (NPPA) to bring 108 additional products in anti-diabetic and cardiovascular segments (which were not part of National List of Essential Medicines or NLEM) under price control effective from July 10, 2014, raises serious doubts on policy implementation for the industry. The domestic pharmaceutical industry is affected by pricing and regulatory issues, which raises serious doubts on policy implementation. Price controls definitely bring a short-term solution to affordability of certain medicines, but, in the long term, they are not sustainable.
- Patent protection: The Indian legal and regulatory systems is still perceived to create substantive barriers, ranging from impermissible hurdles to patentability, threat of compulsory licensing on specious grounds, to pre-grant and post-grant opposition proceedings.
- Regulatory data protection: India is still 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.
- Large scale investment on R&D: Indian companies still find it difficult to fund large scale investment on R&D of new molecules and other innovative vaccines, biosimilars etc. The overall investment in R&D by Indian companies is still a fraction of the investments made by large pharma companies in the developed markets.

Opportunities

- Untapped Rural Market: Almost 70% of India's population resides in the rural areas and this population accounts for 40% of the total pharma consumption.
- Consistently increasing health insurance coverage among Indian urban population.

Awareness program on "Perils of Tobacco & its implications on Lung Health", organized on World No Tobacco Day.

- India is one of the few economies which are consistently growing.
- Strong Manufacturing infrastructure created by Indian companies can be further leveraged by large MNCs thereby reducing their costs of production.
- Contract Research is another area where Indian companies can play a significant role in the early/mid/late stage of development.

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:

- 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;
- Increasing pressure on margins due to increased pressure from Government to make medicines more affordable for all;
- 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.
- Foreign currency fluctuation risks.

Future Growth Drivers

During the year under review, your Company has continued to supply Easyfive-TT Vaccines against long-term supply order received from UNICEF during previous financial year, for supply of vaccines for the calendar years 2014 to 2016. The Company has also initiated supplies against national tender in Philippines for supply of Easyfive-TT vaccine and also supplied Oral Polio Vaccines against an order from Government of India for supply thereof. These have been the leading key drivers in the improved performance of the Company during the year under review.

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 the vaccine segment revenues 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 IPV based combination vaccines and pneumococcal vaccines which are currently under various stages of development, over the next 1-2 years;
- Launch of the Dengue Vaccine and JE vaccine which are currently under research phase, in the long-term;
- Launch of several pharmaceutical products in India and ROW markets; and
- Commercializing the existing filed ANDAs in the next 2-3 years and continue to build the ANDA pipeline for long term future growth.

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.

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:

Social Responsibility

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.

Health, education and patient awareness have been

Eye & Dental check-up Camps at Laksh, Mohali and Sales & Marketing Office, Mumbai, respectively

identified as the areas of priority. The Company's emphasis has been on providing assistance on a need basis, and that too, assistance at a local level. The Company also regularly provides financial assistance or sponsorship for pursuing post graduates/ doctorate studies and carrying out research projects being undertaken by Research Associates.

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, 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 CKDMBD.

Suraksha

In addition to its efforts in providing affordable and quality medicine to patients across the country, Diacar Alpha conducts regular Patient Education and Awareness programmes under the "Suraksha" banner. The basic objective is to detect diabetes and to educate the patients on Diabetes Management. During the year, around 4500 such SURAKSHA programs were organized across the country where around 96000 patients were screened for diabetes and complications.

The Company organized awareness program on organ donation on the occasion of 'Organ Donation Day' i.e. 6th 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 31stMay across India, whereby awareness was created amongst the masses towards the ill effects of tobacco via posters, education pamphlets, etc.

Recently, the Company has participated in Gavi Pledging Conference held in Berlin on 26-27 January, 2015 and has committed to extend its support for sustainable pricing to Gavi graduated countries to make it possible for Gavi-supported countries to deliver life-saving vaccines to the childrens who need them most – in some of the hardest to reach places on the planet.

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 31st Annual Report on the business and operations together with the Company's audited financial statements and the auditors' report thereon for the financial year ended March 31, 2015. The financial highlights for the year under review are given below:

Financial Results

(Rs. in million)

Particulars	March 31, 2015	March 31, 2014#
Revenue from operations	6,792.0	4,975.7
Other Income	280.5	171.0
Total Income	7,072.5	5,146.7
Earning Before Interest, Depreciation & Tax (EBITDA)	943.6	(922.3)
Profit/ (Loss) before tax and exceptional items	(633.4)	(2,974.4)
Exceptional items	-	2,970.2
Profit/(Loss) before Tax (PBT)	(633.4)	(4.2)
Provision for Taxation	18.9	-
Profit/(Loss) after Tax (PAT)	(652.3)	(4.2)
Basic EPS (Rs.)*	(10.7)	(0.1)
Cash EPS (Rs)*	0.1	11.2

** Face value Re.1 per share*
 # Previous year's figures have been re-grouped/re-classified wherever necessary

Business Performance

During the year, your Company registered a growth of 36.5% with turnover of Rs.6,792.0 million as against Rs.4,975.7 million during the corresponding financial year.

The vaccines segment registered a growth of more than 115.9% with turnover of Rs.2,763.0 million as against Rs.1,279.5 million during the previous financial year. The formulations segment registered a growth of 7.6% with turnover of Rs.3,790.7 million as against Rs.3,523.2 million during the previous financial year. The Research & Development segment registered a growth of 37.7% with turnover of Rs.238.3 million as against Rs.173.0 million during the previous year.

During the year, your Company registered positive EBITDA of Rs.943.6 million as against the negative EBITDA of Rs.922.3 million in the previous financial year, with overall losses before tax & exceptional items reduced significantly from Rs.2,974.4 million to Rs.633.4 million.

During the year under review, your Company has continued to supply Easyfive-TT Vaccines against long-term supply order received from UNICEF during previous financial year, for supply of vaccines for the calendar years 2014 to 2016. The Company has also won a national tender in Philippines for supply of Easyfive-TT vaccine and an order from Government of India for supply of Oral Polio Vaccines which have been the leading key drivers in the improved performance of the Company during the year under review.

During the year, your Company has entered into a strategic alliance with Canada's largest pharma company, Apotex Inc., for research, development, license and supply of two drug delivery-based generic products in the US, Canada, Australia and New Zealand markets and also entered into similar deal with US-based Rising Pharmaceuticals Inc. for an oral controlled release product in the CNS space. Similar collaboration has also been entered into with a leading Indian pharma company with extensive global operations, for the development and supply of a modified release immuno-suppressant generic product for the US market.

A detailed discussion on operations for the year ended March 31, 2015 is given in the Management Discussion and Analysis section forming part of the Annual Report.

Corporate Debt Restructuring Scheme (CDR Scheme)

As the members are aware, during previous financial year, the Company had made a reference to the Corporate Debt Restructuring (CDR) Cell for comprehensive restructuring of Company's debts from consortium banks in view of difficult financial situation mainly due to the delisting of company's vaccine from WHO's list of pre-qualified vaccines in the financial year 2011-12. The CDR Empowered Group ("CDR EG") in its meeting held on September 9, 2014 has approved the CDR proposal and issued provisional Letter of Approval (LOA) dated September 24, 2014 which was later on confirmed vide letter dated October 11, 2014.

Pursuant to the said LOA, the Company had executed a Master Restructuring Agreement (MRA) with all the consortium banks (except State Bank of Travancore ("SBT") which has given a negative mandate) on December 27, 2014, with cut-off date of October 1, 2013. The MRA, inter-alia, provides for waiver of certain existing obligations of the Company, restructuring of repayment terms for principal and interest, reduction in interest rates, conversion of outstanding interest amounts to Working Capital/ Funded Interest Term Loans, pledge of promoters' shareholding as additional security to lenders, promoters' undertaking to bring additional funds as promoters' contribution, monitoring oversight and certain restrictive covenants. The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the MRA, as agreed by seven out of nine lender banks. As on March 31, 2015, some of the terms of CDR package were implemented and creation of security has been completed partly and the balance was in process. The Company had approached the banks for extension of time for implementation of few conditions which was considered by the banks. The banks and CDR EG had accepted few requests for modifications/ waivers and with the acceptance of such modifications/ waivers, the CDR Scheme shall stand implemented by all the banks accept SBT.

The SBT, which had given a negative mandate in the CDR scheme had sent legal notices for recovery of its debts & winding up of the Company, which have suitably been replied. Simultaneously, they have been requested for reconsidering their decision. The CDR mechanism operates on the principles of super majority of 75% of the creditors by value and 60% of the creditors in number. The CDR Scheme has been approved with the consent of all the banks except one forming such super majority.

The implementation of CDR scheme gives your Company critical support to tide over the present difficult financial

Directors' Report

situation and business environment. The decision of the banks to consider and approve CDR Scheme also reflects the faith these institutions have in the long term business model of the Company.

Dividend

In view of the losses during the year, the Board of Directors did not recommend any dividend on the Equity Shares of the Company.

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividend for the year 2006-07, which remained unpaid or unclaimed for a period of 7 years, amounting to Rs.0.2 million has been transferred by the Company to the Central Government's Investors Education and Protection Fund on November 26, 2014. Similarly, the dividend for the year 2007-08, which shall remain unpaid or unclaimed for a period of 7 years, shall be transferred by the Company to the Central Government's Investors Education and Protection Fund by the due date, i.e. November 25, 2015.

Details of 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.

A search operation was conducted by Income Tax department in the premises of the Company in January, 2012 and hence Company has filed the income tax returns for the Assessment Year 2006-2007 to Assessment year 2012-2013. The Income Tax department has competed the Income Tax assessment of said years and income tax demand of Rs.3,294.9 million (including interest) has been raised on various grounds. The Company has preferred appeals before the CIT (Appeals) against the Orders of Income Tax department. Your directors are pleased to inform that after several hearings in the matter and on the basis of facts of the matter, the CIT (Appeals) has granted the relief to the Company from such demand and the entire income tax demand of Rs.3,294.9 million stands dismissed except certain disallowances made in Assessment year 2010-11 and Assessment year 2011-12 pursuant to the Orders issued by CIT (Appeals).

Share Capital and Net Worth

The issued, subscribed and paid up Share Capital of the Company as on March 31, 2015, was 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% Non-Convertible Cumulative Redeemable Preference Shares of Rs.10 each. During the year, the Company had issued and allotted 1,63,00,000 (One Crore Sixty Three Lac Only) 0.5% Non-Convertible Cumulative Redeemable Preference Shares ("NCCRPS") of Rs.10 each at par by converting the existing unsecured loan and/or fixed deposits (including outstanding interest thereon) aggregating to Rs.163.0 million to some of the promoters of the Company to meet the requirements of the promoters' contribution pursuant to the CDR Scheme approved by CDR EG.

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

As the members are aware, in view of the fact that the Company's accumulated losses as at March 31, 2013 had resulted into erosion of more than 50% of its peak net worth during the immediately preceding four financial years (as computed as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA")), the Company had made necessary reference on November 22, 2013 to the Board for Industrial and Financial Reconstruction (BIFR) pursuant to the provisions of SICA. The Company's accumulated losses as at March 31, 2015 continue to remain more than 50% of its peak net worth during the immediately preceding four financial years, as computed as per the provisions of SICA.

As at the end of year under review, the net worth of the Company calculated as per section 2(57) of the Companies Act, 2013 ("the Act") stood at Rs.1,296.2 million as compared to Rs.1,790.9 as at the end of the previous financial year.

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 Clause 49 of the listing agreement entered with the stock exchanges ("Listing Agreement") together with a certificate from the Practicing Company Secretary confirming compliance is attached and forms part of this Annual report.

Management Discussion & Analysis Report

As required pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report is attached herewith and forms part of the Annual Report.

Information about the Subsidiaries / Associates/ Joint Ventures

A. Subsidiaries

As on the date of this report, your Company has 4 wholly owned subsidiary (WOS) companies, viz. Radhika Heights Limited, Panacea Biotec (International) S.A., Rees Investments Limited and Panacea Biotec GmbH (under liquidation) and one subsidiary, viz. NewRise Healthcare Private Limited. Your Company also has 8 indirect WOS companies, as under:

- Cabana Construction Private Limited, Radicura Infra Limited, Nirmala Buildwell Private Limited, Sunanda Infra Limited, Cabana Structures Limited and Nirmala Organic Farms Resorts Private Limited; all being WOS of Radhika Heights Limited;
- Panacea Biotec Germany GmbH, the WOS of Panacea Biotec (International) S.A.; and
- Kelisia Holdings Limited, the WOS of Rees Investments Limited.

Radhika Heights Limited ("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, Gurgaon (along with its 5 WOSs). It has diversified its activities in construction and development of township as part of its growth plans. Accordingly, RHL along with its 5 WOS has

signed a term sheet with a developer for development of the integrated township on its land at Pataudi Road, Gurgaon, however, a dispute has emerged among the parties and the matter is under arbitration. The Company holds 47,76,319 equity shares in RHL with an investment of Rs.3,385.6 million as on March 31, 2015.

Panacea Biotec (International) S.A., Switzerland (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, 2015. Panacea Biotec Germany GmbH, WOS of PBS, is engaged in marketing of the Company's products in Germany.

NewRise Healthcare Private Limited ("NewRise") has set-up a 224 bedded state-of-the-art multi super-specialty hospital at Gurgaon, Haryana. It had planned to have the full-fledged operations during the year under review and started hiring the required personnel to start operations and also obtained the necessary licenses & permissions for such operations. However, since it was requiring additional funds to start the operations as well as to fund the initial losses and working capital requirements but the funds were not available; it has decided to put the operations of hospital on hold for the time being. The efforts are also being made to dispose of the Company's stake in NewRise either in full or in part.

During the year under review, NewRise had issued and allotted 33,94,915 equity shares of Rs.10 each for cash at a price of Rs.59 per share on May 28, 2014, aggregating Rs.200.3 million against the share application money pending allotment as at the end of previous financial year. The Company has also purchased 1,82,900 equity shares in NewRise at an aggregate value of Rs.15.5 million pursuant to the agreement entered into with other shareholders of NewRise during previous financial year. Your Company holds 87.4% stake in NewRise with an investment of Rs.497.8 million therein as on March, 2015.

During the year under review, the Company's indirect subsidiary, Kelisia Investment Holding AG (step down subsidiary of Rees Investments Limited) has been liquidated effective as on October 7, 2014.

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 Vaccines by your Company. During the year under review, PanEra has achieved a net turnover of Rs.152.3 million as compared to Rs.391.8 million during previous year. It has incurred a loss of Rs.116.3 million as compared to loss of Rs.11.5 million in previous financial year.

Chiron Panacea Vaccines Private Limited (CPV) (Under Liquidation): CPV had discontinued its operations during the financial year 2012-13 pursuant to dissolution of joint venture and is currently in the process of voluntary winding up.

Adveta Power Private Limited ("Adveta"): Adveta the Company's 50:50 joint venture with PanEra, has been 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.

Pursuant to the provisions of Section 129, 134 and 136 of the Act read with rules framed thereunder and pursuant to clause 41 of the Listing Agreement, the Company had prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statements of subsidiaries, joint ventures and associates, in Form AOC-1, which is forming 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/s during working hours at the Company's registered/corporate office and that of the respective subsidiary companies concerned.

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 Clause 32 & 41 of the Listing Agreement and in accordance with Accounting Standard 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 of the Act, are attached herewith and the same, together with Auditors' Report thereon, forms part of the Annual Report of the Company.

Listing of Equity Shares

The Equity Shares of the Company continue to be listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange ("BSE"). The requisite annual listing fees 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. Further, the Company had paid/adjusted the outstanding balances of deposits from the Company's Directors & their relatives amounting to Rs.142.0 million as on March 31, 2014 along with interest thereon in compliance with the provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

Directors and Key Managerial Personnel

During the year under review, Mr. Sunil Kapoor (DIN: 00029133) who was earlier appointed as an independent director was not satisfying the criteria of independent director as per the provisions of the revised Clause 49 of the Listing Agreement effective from October 1, 2014 and therefore resigned from the directorship of the Company w.e.f. August 4, 2014. The Board places its sincere appreciation towards the valuable contribution received from Mr. Sunil Kapoor during his tenure as a Director of the Company.

Further, pursuant to the provisions of Section 149 of the Act, Mr. Raghava Lakshmi Narasimhan (DIN: 000738736), Mr. Namdeo Narayan Khamitkar (DIN: 00017154), Mr. A.N.

Directors' Report

Saksena (DIN: 00016107) and Mr. Krishna Murari Lal (DIN: 00016166) Independent Directors were appointed as Independent Directors of the Company not liable to retire by rotation for a period of five years i.e. till March 31, 2020, in the 30th Annual General Meeting held on September 25, 2014. The terms and conditions of appointment of Independent Directors are as per Schedule IV to the Act. 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 Clause 49 of the Listing Agreement and there has been no change in the circumstances which may affect their status as Independent Director during the year under review.

Further, as required pursuant to the provisions of Section 149 of the Act, Mr. Om Prakash Kelkar (DIN:00943362) and Mrs. Manjula Upadhyay (DIN: 07137968) have been appointed as Additional Directors of the Company in the category of Independent Directors with effect from October 30, 2014 and March 30, 2015, respectively, to hold office upto the ensuing Annual General Meeting.

Mr. Om Prakash Kelkar (DIN:00943362) was subsequently appointed by the shareholders by passing resolution through Postal Ballot the result whereof was declared on December 23, 2014, as an Independent Director for a period of five years, as per the provisions of Section 149 of the Act and Clause 49 of the Listing Agreement, not liable to retire by rotation and shall hold such office for the period upto October 30, 2019.

Further, the Company has received a notice in writing along with requisite deposit, from a member under Section 160 of the Act, signifying his intention to propose candidature of Mrs. Manjula Upadhyay for the office of Director of the Company. Your directors recommend her appointment as an Independent Director in the ensuing Annual General Meeting of the Company for a period of five years, as per the provisions of the Act and Clause 49 of the Listing Agreement, not liable to retire by rotation and to hold office for a period of five years upto March 29, 2020.

Further, on the recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company had in its meeting held on July 17, 2015, re-appointed Mr. Sumit Jain (DIN: 00014236) as a Whole time Director designated as Director Operations & Projects for a period of 3 years with effect from July 22, 2015, subject to the approval of shareholders in their general meeting. The terms and conditions for his re-appointment are contained in the explanatory statement forming part of the notice of the ensuing Annual General Meeting.

Further, in accordance with Section 152 of the Act and Article 112 of the Articles of Association of the Company, Mr. Soshil Kumar Jain (DIN: 00012812) & Mr. Sumit Jain (DIN: 00014236), directors of the Company are also liable to retire by rotation. Being eligible, they have offered themselves for re-appointment as director.

The brief resumes of the Directors who are to be appointed/ re-appointed in the ensuing Annual General Meeting, the nature of their expertise in specific functional areas, names of companies in which they have held directorships, committee memberships/chairmanships and their shareholding, etc. are furnished in Corporate Governance Report forming part of the Annual Report.

The Board recommends their appointment / re-appointment of the above said directors in the ensuing Annual General Meeting.

During the year under review, Mr. Partha Sarathi De resigned from the position of Chief Financial Officer of the Company with effect from November 30, 2014. Mr. Devender Gupta has been appointed as Chief Financial Officer and Head Information Technology of the Company with effect from May 29, 2015. Mr. Vinod Goel, Company Secretary of the Company has also been elevated as Group Chief Financial Officer and Head Legal & Company Secretary of the Company with effect from May 29, 2015.

Board Meetings

During the year under review, six (6) Board Meetings were held on May 30, 2014, August 1, 2014, October 31, 2014, December 9, 2014, February 13, 2015 and March 30, 2015. The details pertaining to the attendance are provided in the Corporate Governance Report. The intervening gap between two Board Meetings was within the period prescribed under the Act.

Audit Committee

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

Policy on Directors' appointment & remuneration

Pursuant to the provisions Section 178(3) of the Act and Clause 49(IV)(B) of the Listing Agreement 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.

Board Evaluation

In terms of the provisions of the Act and Clause 49 of the Listing Agreement, the Board had 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.

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, behavioural traits, etc.

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 Annual General Meeting ("AGM") of the Company held

on September 25, 2014 till the conclusion of the 35th AGM, subject to ratification of their appointment at every AGM. Accordingly, the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. in this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Act.

Auditors' Report

The management response to the matters of emphasis and observations/ comments contained in the Auditors' Report and Annexure thereto, are given below:

i. Amount of advance received as research fees from a customer amounting to Rs.197.2 million which has been accounted for as income from research and development: In Auditor's opinion, the recognition of such advances as income is not consistent with the revenue recognition principles as prescribed under the Accounting Standard – 9 (AS-9) 'Revenue Recognition'. Had the Company followed the principles of AS-9 with respect to these amounts, the revenue for the year ended March 31, 2015 would have been lower by Rs.197.2 million and the loss would have been higher by Rs.197.2 million. Further, the reserves and surplus as at that date would have been lower by Rs.197.2 million and current liabilities as at that date would have been higher by Rs.197.2 million.

   The Company has received Research & Development (R&D) fees from a customer and such fees is non-refundable subject to certain pre-conditions (as defined in the agreement) and most of the conditions are being complied by the Company. As the product is already available in the domestic market, the management is reasonably certain of meeting the remaining pre-conditions and therefore believes that the said fees should be accounted for as income.

ii. Payment of managerial remuneration exceeding the limits prescribed under Section 198 and 309 read with Part II of Schedule XIII to the Companies, Act, 1956 by Rs.13.5 million and Rs.13.2 million in previous financial years ended March 31, 2014 and 2013 respectively, (Emphasis of Matter in the Auditors' Report):

   The Company has incurred losses in the respective years mainly due to the delisting of company's vaccine from WHO's list of pre-qualified vaccines in the financial year 2011-12. The Managerial Personnel have already voluntarily reduced their salary by 30-53% in the referred years. The Company has taken various measures as explained elsewhere in this report to regain its business. Further, the Company has already filed applications with Ministry of Corporate Affairs to obtain requisite approvals from Central Government in respect of such excess remuneration and requisite approvals are awaited.

iii. The Company has incurred a net loss of Rs.652.3 million during the year ended March 31, 2015. Further as of that date, the Company's current liabilities exceeded its current assets by Rs.3,835.3 million. These conditions along with other matters as set forth in aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. (Emphasis of Matter - clause 11 of Auditors Report):

   The Company has undertaken several measures to mitigate this risk, which include supply to UNICEF/other customers of pentavalent vaccine; certain strategic alliances with foreign collaborators for supply of vaccines and pharma products including 3 collaboration agreements signed during the year under review. The Company has also successfully executed the Master Restructuring Agreement (MRA) with the lenders of the Company and has complied with the key conditions and successfully implemented the MRA. Based on above measures and continuous efforts to improve the business, 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.

Further, with regard to the Emphasis of Matters and observations contained in the Auditors' Report on the Consolidated Financial Statements & the management's explanations are given below:

i. The Auditors' report on the financial statements of Subsidiary/Associate Company viz. NewRise Healthcare Private Limited and PanEra Biotec Private Limited, contains a qualification with respect to non-receipt of confirmations from the foreign and domestic vendors: The respective companies are in the process of reconciling these balances with its vendors and the management is of the opinion that the result of reconciliations will not have any material impact on the consolidated financial statements of the Company.

ii. Unaudited Annual Accounts of the Subsidiary, Rees Investments Limited: Though the Annual Accounts were duly finalized & signed by its Board of Directors, the audit thereof could not be completed till the date on which the Company's consolidated accounts were finalized. Its auditors have since completed their audit and given their audit report on such accounts and there is no difference in the audited annual accounts thereof.

iii. Slight delay in deposition of tax with appropriate authority in one case: There has been a delay of 1 day in deposition of VAT of Rs.2.3 million with concerned VAT authority at Kochi in the state of Kerala due to last day being holiday in Kerala.

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 J.P. Gupta & Associates, Cost Accountants, were appointed as the Cost Auditors to conduct the audit of the Company's Cost Records for the year ended March 31, 2015 and the remuneration has been ratified by the shareholders in the 30th Annual General Meeting of the Company held on September 25, 2014.

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.

Directors' Report

Based on the recommendations of the Audit Committee, the Board of Directors has appointed M/s G.T. & Co., Cost Accountants (Firm's Registration Number: 000253), (a firm formed by Mr. J.P. Gupta, proprietor of the existing cost auditors, viz. M/s. J.P. Gupta & Associates, Cost Accountants), as cost auditors of the Company for the financial year 2015-16 pursuant to Section 148 of the Act. As required, the resolution for ratification of remuneration of cost auditor has been included in the notice of the AGM for shareholders' approval.

The Cost Audit Report for the financial year 2013-14 was filed on September 12, 2014, well before the last date of filing being September 30, 2014.

Secretarial Audit

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of M/s R&D Company Secretaries, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2015. The Secretarial Audit Report (in Form MR-3) is attached as Annexure F to this Report.

The Secretarial Audit Report contains observation in respect of excess remuneration paid to Managing Director during the financial year 2014-15 and in this respect, the Company has decided to seek the approval of Central Government pursuant to shareholders' approval being sought in the ensuing Annual General Meeting of the Company.

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2015 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 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 report:

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

Energy Conservation, Technology Absorption & Foreign Exchange

Particulars required pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, 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

In accordance with the provisions of section 134(3)(a) of the Act, the extract of Annual Return in Form MGT-9 as on March 31, 2015 is attached as Annexure B hereto and forms a part of this Report.

Directors' Responsibility Statement

The Directors hereby confirm:

a) that in the preparation of the annual financial statements for the financial year ended March 31, 2015 the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

b) that for the financial year ended March 31, 2015, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for the year ended March 31, 2015;

c) that proper and sufficient care has been taken 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) that the annual accounts have been prepared on a going concern basis;

e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

Particulars of loans, guarantees or investments under Section 186 of the Act

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

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 all business decisions and corporate functions.

Insurance

Risk mitigation continues to be a key area of concern for the Company, which 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 authorised, recorded and reported. The Company's internal control system comprises internal audit carried out by independent firms of Chartered Accountants and periodical review by the management. The Audit Committee of the Board of Directors addresses significant issues raised by both the Internal Auditors and the Statutory Auditors.

Directors' Report

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its 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 disclosures.

The management believes that the overall internal control system is dynamic and reflects the current requirements at all times, hence ensuring that appropriate procedures and controls are in place. Your Company is proactively identifying the areas for further improvement which shall remain an ongoing process.

Vigil Mechanism/Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy with a view to provide its employees an avenue to raise any sensitive concerns regarding any unethical behaviour or wrongful conduct and to provide adequate safeguard for protection from any victimization.

Further, the Act and revised Clause 49 of the Listing Agreement mandated every listed Company to establish a vigil mechanism, accordingly the Company has amended the policy to align the same with 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 Clause 49 of the Listing Agreement and the same is available on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee have 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 networth of Rs.500 crore or turnover of Rs.1,000 crore or a 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.

Related Party Transactions

As per the provisions of the Act and the Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at http://www.panacea-biotec.com/statutorypolicies. 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 omnibus 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 the related party transactions entered into were 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 AS-18 have been made in the notes to the financial statements.

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 Annexure C as per the prescribed Form AOC-2 and the same forms part of this report.

Particulars of Employees and Related disclosures

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 the Annexure D forming part of the Annual Report.

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 is provided in the Annexure E forming part of the Annual Report.

Prevention of Sexual Harassment at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, one complaint was received and the same has been satisfactorily resolved by the said Committee.

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

Dated: August 13, 2015 — Soshil Kumar Jain

Place: New Delhi — Chairman

Annexure to the Directors' Report

Annexure A

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

I. Conservation of Energy

The Company believes that energy conservation is the most economical solution to energy shortages that our country is facing, and is a more environmentally benign alternative to increased energy production if practiced with rigour. The Company strives to be energy efficient by being conservative in its approach of energy utilisation and also utilising energy efficient devices. Therefore, conservation of energy has always been a prime focus area of the Company. The Company regularly reviews energy consumption and maintains effective control on utilisation of energy by adopting measures to reduce wastage and optimise consumption. The Company has undertaken several measures to minimise energy losses and ensure sustainable energy utilisation.

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:

   - Use of low capacity 22.5 KW air compressor (air cooled) instead of air compressor having higher capacity 45 KW (water cooled) at Lalru.
   - During winter season at Lalru, low capacity chilled water supply pump of 25 HP have been used instead of water supply pump having higher capacity of 75 HP.
   - 100% use of treated ETP water for irrigation purpose.
   - Use of RO rejected water for fire hydrant system instead of drainage.
   - Installation of motion sensor for lighting control at Lalru and Mohali.
   - Modification of upper limit of temperatures in AC storage area & in foil storage area.

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.

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

   The energy conservation measures indicated above have helped the Company to 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

	Current Year	Previous Year
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (Nos. in thousand)	24,705.1	26,070.4
Total Amount (Rs. in million)	175.2	186.0
Rate/Unit (Rs.)	7.1	7.1
(b) Own generation		
(i) Through Diesel Generator		
Units (Nos. in thousand)	723.4	2,058.0
Unit per litre of Diesel/Oil	3.4	3.5
Cost/Unit (Rs.)	15.5	15.3
(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		

	Current Year	Previous Year
3. Furnace Oil		
Quantity (Kilolitres)	343.9	757.0
Total Cost (Rs. in Million)	10.9	37.4
Rate/Unit (Rs.)	31.8	49.2
4. Others/Internal generation		
Quantity	Nil	Nil
Total Cost		
Rate/Unit		
B. Consumption per unit of production		
Tablets		
Production (no. in thousand)	647,083	655,511
Electricity Consumption (Units per thousand)	4.6	3.9
Capsules		
Production (no. in thousand)	126,506	108,787
Electricity Consumption (Units per thousand)	17.0	22.9
Syrups		
Production (in liters)	198,028	176,905
Electricity Consumption (Units per kiloliter)	0.3	0.3
Gels		
Production (in kilograms)	35,067	47,879
Electricity Consumption (Units per kilogram)	5.4	6.4
Vaccines		
Production (no. of vials in thousand)	20,304	7,991
Electricity Consumption (Units per thousand)	117.8	635.5
Pre-filled Syringes (PFS)		
Production (no. of PFS in thousand)	767	495
Electricity Consumption (Units per thousand)	269.4	287.3
Granules (in kilograms)		
Production (Packs in thousands)	11,622	12,783
Electricity Consumption (Units per kilogram)	0.7	0.6
Injections		
Production (no. of injection in thousand)	54	13
Electricity Consumption (Units per thousand)	913.8	8,468.3

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

   Research & Development is a key fundamental strength of the Company. The Company is a research-focused and IPR oriented, with one of its end objectives as innovation and development of patentable products and technologies. Additionally, the Company is also involved in research on technologies for development of products suitable for substitute as cost effective alternatives that would address unmet medical needs and increase patient convenience and compliance.

   The areas of research being pursued by the Company include:

   - Small Molecule Drug Discovery (NCE Research) in 3 Therapeutic Areas, viz. Metabolic Disorders (Diabetes & Obesity), Infectious Diseases, and CNS Disorders.
   - Platform Technology - SPORTS Technology.
   - NDA formulation development.
   - Development of peptides.
   - Development of biosimilar therapeutic products & monoclonal antibodies.

2. Benefits derived as a result of the above R&D
   - Development of Novel Drug Delivery products.
   - Bringing innovative products to market.
   - Fulfilling unmet therapeutic needs and customer satisfaction.
   - Improved product quality and safety aspects.
   - Competitively priced products.
   - Minimization of wastes.

Annexure to the Directors' Report

- Grant of new product/process patents.
- Entry into newer markets and export of quality products
- Solving public health problems with the availability of vaccines for immunization of public at large

3. Future Plan of Action

The Company will 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
- IPV based pentavalent and hexavalent combination vaccines
- Recombinant, polysaccharide conjugate and cell culture based vaccines.
- Development of biosimilar therapeutic products and monoclonal antibodies.

4. Expenditure on R&D

(Rs. in million)

	2014-15	2013-14
a) Revenue (excluding Depreciation on R&D assets)	453.7	772.5
b) Capital	14.5	116.3
c) Total	468.2	888.8
d) Total R&D expenditure as a percentage of net sales	7%	19%

Technology absorption, adaptation and innovation

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

Research & Development plays a vital role in developing and adopting new technologies to enhance our operational efficiencies. The Company is continuously focusing on cutting-edge science with a customer focus that can be converted into commercially viable applications to support its business segments, pharmaceutical formulations and biopharmaceuticals. 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 R&D centers of the company have developed several indigenous technologies in respect of various products being manufactured. The latest technological innovation is the development & successful commercialization of Bemustine (Bendamustine HCl), Paclitrust (Paclitaxel injection), PacliAll (Paclitaxel protein-bound particles for injectable suspension), Docetrust (Docetaxel injection), Ramy 24 Capsules (Ramipril modified release capsules) and Fosbait (Lanthanum carbonate chewable tablets). The registration dossiers for several generic products have recently been filed for USFDA approval.

2. Benefits derived as a result of the above efforts include product improvement, cost reduction, product development, import substitution, competitive products, product quality improvement, product development and import substitution. With in-licensing arrangements, the Company will be able to commercialize these products in the domestic and international markets.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

	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.

III. Foreign Exchange Earnings and Outgo

1. Activities relating to exports

During the year 2014-15, the Company's total export revenue was Rs.2,519.2 million (including R&D income of Rs.222.7 million) as compared to Rs.1,617.4 million (including R&D income of Rs.178.5 million) in the previous year. Exports contributed 37.1% of the net revenue from operations of the Company during financial year 2014-15, as compared to 32.1% during previous year. The major countries where the Company's products were exported during the year included US, Germany, Russia, Brazil, Sri Lanka, Serbia, Turkey, Phillipines, Kazakhstan, Vietman and Tanzania.

2. Initiatives taken to increase export

The Company focuses on the emerging and ROW countries. Over the last couple of years strategic collaborations have been initiated in more than 20 countries with customized business models. Till date vaccines have been registered

in 11 countries with further registrations in around 20 countries expected in the near future. The Company is targeting to enter emerging markets with sizeable birth cohort (3-5 mn) to expand business with a view to reduce dependence over institutional business.

The Company has also laid its future growth strategy with focus on the regulated markets of US and Europe. The Company launched its first product Tacpan (Tacrolimus) in 2011 in Germany and it has now become the 2nd largest generic in Germany. The Company's Indirect WOS is selling the products there in trade as well as in tender markets.

The Company has also launched Tacrolimus in USA in December 2012 and is currently in the process of entering in the key pharmacy accounts through its local strategic partner. The Company has filed 6 more ANDAs with USFDA since its first product was launched in USA. The Company's strategy is to develop and launch selective portfolio of difficult to develop generics with high barrier to entry. The Company is also developing products for registration pursuant to application under section 505(b)(2) in US markets.

The Company has also created a global presence through its wholly-owned subsidiaries in Germany and Switzerland.

During the year, the Company has continued to supply Easyfive-TT Vaccines against long-term supply order received from UNICEF during previous financial year, for supply of vaccines for the calendar years 2014 to 2016 and has also won a national tender in Philippines for supply of Easyfive-TT vaccine.

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

The Company is in the final stages of registration and approval in key markets like Egypt, South Africa & Saudi Arabia (GCC). The Company has forayed into the GCC markets by successfully registering the products in UAE. Commercialization of products is expected to start during the current financial year. The Company is also in the process of filing its oncological range of products in the key emerging markets and expects to start the export from the current financial year onwards.

4. Total foreign exchange earned and used

(Rs. in million)

Particulars	2014-15	2013-14
Foreign Exchange Earned		
F.O.B. value of Exports	2,125.1	1,263.8
Income from distribution rights	2.3	2.3
Research & License Fees income	222.7	178.5
Interest Income from subsidiary company	48.7	94.6
Total	2,398.8	1,539.2
Foreign Exchange Used		
Raw Materials & Packing Materials	1,392.1	490.1
Capital Goods	7.2	34.7
Know-how Fee	20.6	18.8
Interest	83.1	89.6
Professional & Consultation Fees	55.2	73.5
Other Expenses		
- Patents, Trade Marks & Product Registration	7.0	7.4
- Advertising and Sales Promotion	37.6	36.6
- Commission on Sales	5.8	28.2
- Processing charges	-	50.4
- Others	64.8	112.7
Total	1,673.4	942.1

For and on behalf of the Board

Dated: August 13, 2015 Soshil Kumar Jain

Place: New Delhi Chairman

Annexure to the Directors' Report

ANNEXURE B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2015

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	Company Limited by Shares
5	Address of the Registered office & contact details	Ambala, Chandigarh Highway, Lalru-140501, Punjab Phone: +91-1762-505900 E-mail: corporate@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

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	section 2(87)
2	Rees Investments Limited	NA	Wholly Owned Subsidiary	100	section 2(87)
3	Panacea Biotec (International) SA	NA	Wholly Owned Subsidiary	100	section 2(87)
4	Panacea Biotec GmbH (Under liquidation)	NA	Wholly Owned Subsidiary	100	section 2(87)
5	NewRise Healthcare Private Limited	U85110DL2002PTC114987	Subsidiary	87.4	section 2(87)
6	PanEra Biotec Private Limited	U24231DL1999PTC102557	Associate	50	section 2(6)
7	Adveta Power Limited	U40101HP2011PTC031700	Joint Venture	50	section 2(6)
8	Chiron Panacea Vaccines Private Limited (Under liquidation)	U24230MH2004PTC147790	Joint Venture	50	section 2(6)
9	Panacea Biotec Germany GmbH	NA	Step down Subsidiary	100	section 2(87)
10	Cabana Construction Private Limited	U80904DL2007PTC166661	Step down Subsidiary	100	section 2(87)
11	Radicura Infra Limited	U74899DL1993PLC056682	Step down Subsidiary	100	section 2(87)
12	Nirmala Buildwell Private Limited	U55101DL2007PTC166763	Step down Subsidiary	100	section 2(87)
13	Sunanda Infra Limited	U13209DL2007PLC163082	Step down Subsidiary	100	section 2(87)
14	Cabana Structures Limited	U15122DL2007PLC170999	Step down Subsidiary	100	section 2(87)
15	Nirmala Organic Farms Resorts Private Limited	U01403DL2010PTC198194	Step down Subsidiary	100	section 2(87)
16	Kelisia Holdings Limited	NA	Step down Subsidiary	100	section 2(87)

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 (As on March 31, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a) Individual/ HUF	43,510,100	-	43,510,100	71.04%	43,309,493	-	43,309,493	70.71%	-0.33%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
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)	45,823,554	-	45,823,554	74.81%	45,622,947	-	45,622,947	74.49%	-0.33%

Annexure to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year (As on March 31, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% 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 Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	45,823,554	-	45,823,554	74.81%	45,622,947	-	45,622,947	74.49%	-0.33%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	353,299	-	353,299	0.58%	0.58%
b) Banks / FI	32,435	-	32,435	0.05%	28,470	-	28,470	0.05%	-0.00%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1,003,451		1,003,451	1.64%	798,568		798,568	1.30%	-0.34%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	1,035,886	-	1,035,886	1.69%	1,180,337	-	1,180,337	1.93%	0.24%
2. Non-Institutions									
a) Bodies Corporate	9,650,220	1,000	9,651,220	15.76%	9,910,260	1,000	9,911,260	16.18%	0.42%
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2,865,419	508,791	3,374,210	5.51%	2,939,318	470,791	3,410,109	5.57%	0.06%
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	135,000	-	135,000	0.22%	179,572	-	179,572	0.29%	0.07%
Hindu Undivided Family	104,835	-	104,835	0.17%	81,825	-	81,825	0.13%	-0.04%
Non Resident Indians	59,699	-	59,699	0.10%	127,598	-	127,598	0.21%	0.11%
Overseas Corporate Bodies	1,045,000	-	1,045,000	1.71%	639,500	-	639,500	1.04%	-0.67%
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	18,887	-	18,887	0.03%	95,143	-	95,143	0.16%	0.13%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	2,455	-	2,455	0.00%	2,455	-	2,455	0.00%	-
Sub-total (B)(2):-	13,881,515	509,791	14,391,306	23.50%	13,975,671	471,791	14,447,462	23.59%	0.09%
Total Public (B)	14,917,401	509,791	15,427,192	25.19%	15,156,008	471,791	15,627,799	25.51%	0.32%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	60,740,955	509,791	61,250,746	100.00%	60,778,955	471,791	61,250,746	100.00%	-

Annexure to the Directors' Report

(ii) Shareholding of Promoters*								
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	
1	Mr. Soshil Kumar Jain	5,000,000	8.16%	-	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%	-	6,213,500	10.14%	100.00%	-
4	Mr. Sandeep Jain	4,792,100	7.82%	-	4,792,100	7.82%	100.00%	-
5	Mrs. Nirmala Jain	2,511,000	4.10%	-	2,511,000	4.10%	-	-
6	Mrs. Sunanda Jain	635,000	1.04%	-	635,000	1.04%	-	-
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)	2,380,700	3.89%	-	2,181,093	3.56%	-	-0.33%
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%	-	300,000	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	Ms. Anu Jain	2,000	0.00%	-	1,000	0.00%	-	-0.00%
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' Shareholding* (please specify, if there is no change)							
S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Soshil Kumar Jain (HUF)	01.04.2014		2,380,700	3.89%	2,380,700	3.89%
		26.12.2014	Transfer	(184,607)	-0.30%	2,196,093	3.59%
		07.01.2015	Transfer	(15,000)	-0.02%	2,181,093	3.56%
	At the end of the year			2,181,093	3.56%	2,181,093	3.56%
2	Anu jain	01.04.2014		2,000	0.00%	2,000	0.00%
	Changes during the year	25.04.2014	Transfer	(1,000)	0.00%	1,000	0.00%
	At the end of the year			1,000	0.00%	1,000	0.00%

* Promoters include promoter group as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

(iv) Shareholding patterns of top 10 shareholders* (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders*	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Serum Institute of India Limited						
	At the beginning of the year	01.04.2014		8,932,632	14.58%	8,932,632	14.58%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		8,932,632	14.58%	8,932,632	14.58%
2	Gain Premium Limited						
	At the beginning of the year	01.04.2014		1,045,000	1.71%	1,045,000	1.71%
	Changes during the year	23.05.2014	Transfer	(100,000)	-0.16%	945,000	1.54%
		30.05.2014	Transfer	(245,000)	-0.40%	700,000	1.14%
		30.06.2014	Transfer	(200,000)	-0.33%	500,000	0.82%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		31.03.2015	Transfer	139,500	0.23%	639,500	1.04%
	At the end of the year	31.03.2015		639,500	1.04%	639,500	1.04%
3	BNP Paribas Arbitrage						
	At the beginning of the year	01.04.2014		493,777	0.81%	493,777	0.81%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		493,777	0.81%	493,777	0.81%
4	Privatabank Ihag Zurich AG						
	At the beginning of the year	01.04.2014		262,691	0.43%	262,691	0.43%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		262,691	0.43%	262,691	0.43%
5	Chakan Investment Private Limited						
	At the beginning of the year	01.04.2014		222,149	0.36%	222,149	0.36%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		222,149	0.36%	222,149	0.36%
6	ICICI Prudential Growth Fund- Series 2						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year	22.08.2014	Purchase	27,747	0.05%	27,747	0.05%
		29.08.2014	Purchase	11,456	0.02%	39,203	0.06%
		05.09.2014	Purchase	34,793	0.06%	73,996	0.12%
		12.09.2014	Purchase	7,153	0.01%	81,149	0.13%
		18.09.2014	Purchase	45,467	0.07%	126,616	0.21%
		19.09.2014	Purchase	60,291	0.10%	186,907	0.31%
		30.09.2014	Purchase	16,273	0.03%	203,180	0.33%
	At the end of the year	31.03.2015		203,180	0.33%	203,180	0.33%
7	ICICI Prudential Exports And Other Services Fund						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year	16.05.2014	Purchase	19,550	0.03%	19,550	0.03%
		23.05.2014	Purchase	34,346	0.06%	53,896	0.09%
		30.05.2014	Purchase	126,280	0.21%	180,176	0.29%
		06.06.2014	Purchase	53,942	0.09%	234,118	0.38%
		13.06.2014	Purchase	55,204	0.09%	289,322	0.47%
		20.06.2014	Purchase	60,678	0.10%	350,000	0.57%
		18.07.2014	Purchase	50,000	0.08%	400,000	0.65%
		30.09.2014	Transfer	(133,521)	-0.22%	266,479	0.44%
		03.10.2014	Transfer	(31,306)	-0.05%	235,173	0.38%
		14.11.2014	Transfer	(46,186)	-0.08%	188,987	0.31%
		31.12.2014	Transfer	(38,868)	-0.06%	150,119	0.25%
	At the end of the year	31.03.2015		150,119	0.25%	150,119	0.25%
8	Poonawalla Investment & Industries Private Limited						
	At the beginning of the year	01.04.2014		79,610	0.13%	79,610	0.13%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		79,610	0.13%	79,610	0.13%
9	Monarch Project & Finmarkets Limited						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year	03.10.2014	Purchase	350	0.00%	350	0.00%
		10.10.2014	Purchase	125,090	0.20%	125,440	0.20%
		14.11.2014	Purchase	25	0.00%	125,465	0.20%
		21.11.2014	Purchase	25	0.00%	125,490	0.20%
		28.11.2014	Transfer	(6,728)	-0.01%	118,762	0.19%
		05.12.2014	Transfer	(212)	0.00%	118,550	0.19%
		12.12.2014	Transfer	(75)	0.00%	118,475	0.19%
		31.12.2014	Purchase	100	0.00%	118,575	0.19%
		09.01.2015	Purchase	105	0.00%	118,680	0.19%
		16.01.2015	Transfer	(11,790)	-0.02%	106,890	0.17%

Annexure to the Directors' Report

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		06.02.2015	Transfer	(100)	0.00%	106,790	0.17%
		13.02.2015	Purchase	30	0.00%	106,820	0.17%
		20.02.2015	Transfer	(50,000)	-0.08%	56,820	0.09%
		27.02.2015	Purchase	300	0.00%	57,120	0.09%
		13.03.2015	Transfer	(200)	0.00%	56,920	0.09%
		20.03.2015	Transfer	(100)	0.00%	56,820	0.09%
		27.03.2015	Purchase	300	0.00%	57,120	0.09%
		31.03.2015	Purchase	300	0.00%	57,420	0.09%
	At the end of the year	31.03.2015		57,420	0.09%	57,420	0.09%
10	H S Gowrishankara						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year	11.04.2014	Purchase	30,000	0.05%	30,000	0.05%
		07.11.2014	Purchase	5,000	0.01%	35,000	0.06%
		28.11.2014	Purchase	3,000	0.00%	38,000	0.06%
		31.12.2014	Purchase	2,000	0.00%	40,000	0.07%
		09.01.2015	Purchase	7,000	0.01%	47,000	0.08%
		13.02.2015	Purchase	2,000	0.00%	49,000	0.08%
		27.03.2015	Purchase	4,000	0.01%	53,000	0.09%
	At the end of the year	31.03.2015		53,000	0.09%	53,000	0.09%

*Top 10 Shareholders as on March 31, 2015

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
A.	Executive Directors :						
1	Mr. Soshil Kumar Jain						
	At the beginning of the year	01.04.2014		5,000,000	8.16%	5,000,000	8.16%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		5,000,000	8.16%	5,000,000	8.16%
2	Mr. Ravinder Jain						
	At the beginning of the year	01.04.2014		5,712,300	9.33%	5,712,300	9.33%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		5,712,300	9.33%	5,712,300	9.33%
3	Dr. Rajesh Jain						
	At the beginning of the year	01.04.2014		6,213,500	10.14%	6,213,500	10.14%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		6,213,500	10.14%	6,213,500	10.14%
4	Mr. Sandeep Jain						
	At the beginning of the year	01.04.2014		4,792,100	7.82%	4,792,100	7.82%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		4,792,100	7.82%	4,792,100	7.82%
5	Mr. Sumit Jain						
	At the beginning of the year	01.04.2014		358,500	0.59%	358,500	0.59%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		358,500	0.59%	358,500	0.59%
B	Non Executive Directors						
6	Mr. Aditya Narain Saksena						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2015		-	-	-	-

Annexure to the Directors' Report

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
7	Mr. Krishna Murari Lal						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2015		-	-	-	-
8	Mr. Namdeo Narayan Khamitkar						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2015		-	-	-	-
9	Mr. Raghava Lakshmi Narasimhan						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2015		-	-	-	-
10	Mr. Om Prakash Kelkar*						
	At the beginning of the year	31.10.2014		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2015		-	-	-	-
11	Mrs. Manjula Upadhyay*						
	At the beginning of the year	30.03.2015		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	31.03.2015		-	-	-	-
12	Mr. Sunil Kapoor*						
	At the beginning of the year	31.03.2014		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	04.08.2014		-	-	-	-
C	Key Managerial Personnel (KMP's)						
13	Mr. Vinod Goel (Company Secretary)						
	At the beginning of the year	01.04.2014		250	0.00%	250	0.00%
	Changes during the year			NIL			
	At the end of the year	31.03.2015		250	0.00%	250	0.00%
14	Mr. Partha Sarathi De*						
	At the beginning of the year	01.04.2014		-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year	30.11.2014		-	-	-	-

* Date of Shareholding from the date of appintment and till the date of cessation

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
				(Amt. Rs./Lacs)
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	91,186	6,456	1,402	99,044
ii) Interest due but not paid	5,207	265	46	5,518
iii) Interest accrued but not due	54	153	2	209
Total (i+ii+iii)	96,447	6,874	1,450	104,771
Change in Indebtedness during the financial year				
* Addition	8,488	-	-	8,488
* Reduction	-	523	1,450	1,973
Net Change	8,488	523	1,450	6,515
Indebtedness at the end of the financial year				
i) Principal Amount	95,597	5,881	-	101,477
ii) Interest due but not paid	9,319	438	-	9,757
iii) Interest accrued but not due	20	33	-	52
Total (i+ii+iii)	104,935	6,351	-	111,286

Annexure to the Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL							
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:							
S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (Rs/Lac)
	Name	Soshil Kumar Jain	Ravinder Jain	Rajesh Jain	Sandeep Jain	Sumit Jain	
	Designation	Chairman	Managing Director	Joint Managing Director	Joint Managing Director	Director Operations & Projects	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	72.00	72.00	60.00	56.40	25.20	285.60
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	8.50	60.37	13.96	8.70	10.50	102.03
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961						-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total	80.50	132.37	73.96	65.10	35.70	387.63

B. Remuneration to other Directors								
S. No.	Particulars of Remuneration	Name of Directors						Total Amount (Rs/Lac)
	Independent Directors	R.L. Narasimhan	N.N. Khamitkar	K.M. Lal	A.N Saksena	Sunil Kapoor	O.P. Kelkar	
1	Fee for attending board committee meetings	1.45	1.75	1.40	1.75	0.60	0.70	7.65
2	Commission	-	-	-	-	-	-	-
3	Others - monthly allowances until 30.09.14	0.93	0.93	0.93	0.93	0.62	-	4.34
	Total	2.38	2.68	2.33	2.68	1.22	0.70	11.99

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD				
S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
	Name	Mr. Partha Sarathi De	Mr. Vinod Goel	
	Designation	CFO & Head IT & BPR*	Sr. VP Legal & CS**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	63.52	31.99	95.53
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.14	0.21	0.35
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	63.66	32.21	95.88

*until 30.11.2014 **as on 31.03.2015

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:
During the year 2014-15, there were no penalties/ punishment/ compounding of offences under the Companies Act, 2013

For and on behalf of the Board

Dated : August 13, 2015
Place : New Delhi

Soshil Kumar Jain
Chairman

ANNEXURE C

FORM NO. AOC - 2

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

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

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

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

2. Details of 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)	(f)	(g)	(h)
1	PanEra Biotec Private Limited (Associate Company)	Agreement for supply of bulk vaccines & Antigens	Ongoing	Supply agreement for purchase of Bulk Vaccines & Antigens	i) 13.02.2014 ii) 31.10.2014	157.6	N.A
2	PanEra Biotec Private Limited (Associate Company)	Facility Agreement	Ongoing	Agreement for providing Manufacturing facility, Utilities and Transfer of Raw Materials	i) 13.02.2014 ii) 31.10.2014	26.2	N.A
3	Chiron Panacea Vaccines Private Limited (Joint Venture)	Facility Agreement	Ongoing, subject to renewal as per contractual terms	Facility Agreement for providing space in Offices Premises at monthly Payment of Rs.27500	30.05.2014	0.3	N.A
4	Radhika Heights Limited (Formerly known as Best on Health Limited) (Wholly owned subsidiary)	Lease Agreement	Ongoing, subject to renewal as per contractual terms	Lease Agreement for taking on lease immovable property at New Delhi on monthly rent of Rs.90,000	30.05.2014	1.1	N.A
5	NewRise Healthcare Private Limited (Subsidiary)	Lease Agreement	Ongoing, subject to renewal as per contractual terms	Lease deed for renting out premises to NewRise Healthcare Private Limited on monthly rent of Rs.7,500	30.05.2014 & 31.10.2014	0.1	N.A
6	PanEra Biotec Private Limited (Associate Company)	Lease Agreement	Ongoing, subject to renewal as per contractual terms	Lease deed for renting out portion of office remises on monthly rent of Rs.8,000	30.05.2014 & 31.10.2014	0.1	N.A
7	Radhika Heights Limited (Formerly known as Best on Health Limited) (Wholly owned subsidiary)	Lease Agreement	Ongoing, subject to renewal as per contractual terms	Lease deed for taking on rent office premises on monthly rent of Rs.5,76,000	30.05.2014 & 31.10.2014	6.9	N.A
8	Radhika Heights Limited (Formerly known as Best on Health Limited) (Wholly owned subsidiary)	Lease Agreement	Ongoing, subject to renewal as per contractual terms	Lease deed for renting out office premises on monthly rent of Rs.36,000	30.05.2014 & 13.02.2015	0.5	N.A
9	Trinidhi Finance Private Limited (Company in which Directors are interested)	Lease Agreement	Ongoing, subject to renewal as per contractual terms	Lease deed for renting out office premises on monthly rent of Rs.18,000	30.05.2014 & 13.02.2015	0.2	N.A

Annexure to the Directors' Report

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	Approved Contract Amount (Rs. in million)	Date on which special resolution was passed in General Meeting u/s 188 (1)
	(a)	(b)	(c)	(d)	(f)	(g)	(h)
10	Mr. Ankesh Jain (Relative of Director)	Promotion Letter	With effect from 01.09.2014 as per the terms of promotion letter	Promoted as Head Pharmaceutical Business on monthly remuneration of Rs.1,00,000	31.10.2014	0.8	N.A
11	Mr. Harshet Jain (Relative of Director)	Letter of Appointment	With effect from 01.09.2014 as per the terms of appointment letter	Appointed as Management Trainee - International Marketing on monthly remuneration of Rs.30,000	31.10.2014	0.2	N.A

Note:
1. Advance(s) paid, if any, have been been adjusted against the billings.
2. All related party transactions are approved by the Audit Committee & Board of Directors.

For and on behalf of the Board

Dated : August 13, 2015
Place : New Delhi

Soshil Kumar Jain
Chairman

Annexure D

INFORMATION AS PER RULE 5(1) OF CHAPTER XIII OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a. The ratio of the remuneration of each Director to the median remuneration of the employees and the performance of the Company for the year 2014-15:

(Rs. in million)

Name of the Director	Title	Financial Year 2014-15	Financial Year 2013-14	No. of Stock options granted in Financial Year 2014-15	% increase of remuneration as compared to Previous Year*	Ratio of remuneration to Ratio of remuneration to MRE**	Ratio of remuneration to revenue (FY 2015)
Mr. Soshil Kumar Jain	Chairman	8.05	8.03	Nil	-	28.89	0.00118
Mr. Ravinder Jain	Managing Director	13.23	12.48	Nil	-	47.50	0.00194
Dr. Rajesh Jain	Joint Managing Director	7.40	7.08	Nil	-	26.54	0.00108
Mr. Sandeep Jain	Joint Managing Director	6.51	6.46	Nil	-	23.36	0.00095
Mr. Sumit Jain	Director	3.57	3.51	Nil	-	12.81	0.00052

* Increase/ decrease in remuneration during financial year 2014-15 is on account of change in perquisite value. ** MRE – Median Remuneration of Employees.

b. The ratio of the remuneration of each Key Managerial Personnel(KMP) to the median remuneration of the employees and the performance of the Company for the year 2014-15

(Rs. in million)

Name of the KMP	Title	Financial Year 2014-15	Financial Year 2013-14	No. of Stock options granted in Financial Year 2014-15	% increase of remuneration as compared to Previous Year	Ratio of remuneration to Ratio of remuneration to MRE	Ratio of remuneration to revenue (FY 2015)
Mr. Partha Sarathi De*	C.F.O and Head IT & BPR	6.37	6.48	Nil	8 %	34.27	0.00140
Mr. Vinod Goel	Sr. Vice President – Legal & Company Secretary	3.22	2.77	Nil	4 %	11.56	0.00047

* For the period April 1, 2014 to November 30, 2014.

c. The Median Remuneration of Employees (MRE) including Whole-time Directors (WTDs) was Rs.278,654 and Rs.245,564 in financial year 2014-15 and financial year 2013-14, respectively. The increase/(decrease) in MRE (including WTDs) in financial year 2014-15, as compared to fiscal 2013-14 was 13.48 %. The aggregate remuneration of employees excluding WTD grew by 12.75 % over the previous financial year.

d. During the year, there is no change/increase in salary of WTDs and aggregate increase in salary for KMPs was 6 % in financial year 2014-15 over financial year 2013-14.

e. The number of permanent employees on the rolls of the Company as of March 31, 2015 and March 31, 2014 was 2,708 and 2,846 respectively. The revenue growth during financial year 2014-15 over fiscal 2013-14 was 35% and net loss was reduced significantly.

f. Variations in the market capitalisation of the Company as at the closing date of the current financial year and previous financial year and percentage

increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	As at March 31, 2015		As at March 31, 2014	
Market capitalisation (Rs. in million)	BSE	8,581.23	BSE	5,812.70
	NSE	8,642.50	NSE	5,776.00

Market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Company came out with an Initial Public Offer in the year 1995 at a price Rs.60 per equity share of Rs.10 each. The market price of the Company's equity share of Re.1 each (closing price) as on March 31, 2015 was Rs.141.10 on NSE and Rs.140.10 on BSE.

g. As the Company is in loss, price earning ratio as at March 31, 2015 and March 31, 2014 is not available.

h. During the year under review no variable component of remuneration was availed by the directors.

i. None of the employees (who are not directors) received remuneration in excess of the highest paid Director.

j. The remuneration and perquisites provided to the employees including that of the Management are on par with industry levels. The nomination and remuneration committee continuously reviews the compensation of Executive Directors & key managerial personnel to align both the short-term and long-term business objectives of the Company and to link compensation with the achievement of measurable performance goals.

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

For and on behalf of the Board

Dated : August 13, 2015
Place : New Delhi

Soshil Kumar Jain
Chairman

ANNEXURE E

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015

S. No.	Name	Designation and Nature of Duties	Remuneration (Rs. in million)	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (Yrs.)	Particulars of Last Employment Name of Employer, Designation, Period of Service (Years)
A.	Persons employed throughout the Financial Year ended March 31, 2014, who were in receipt of remuneration for the year in which the aggregate was not less than Rs.6,000,000.							
1.	Mr. Soshil Kumar Jain	Chairman	8.05	Pharmacist	60	02.02.1984	82	None, NA, NA
2.	Mr. Ravinder Jain	Managing Director	13.24	Matriculate	35	15.11.1984	58	None, NA, NA
3.	Dr. Rajesh Jain	Joint Managing Director	7.40	B. Sc., PGDBM & Advanced Mgmt. Diploma in Market Research, Ph.D.	31	15.11.1984	51	None, NA, NA
4.	Mr. Sandeep Jain	Joint Managing Director	6.51	B.Com	30	15.11.1984	49	None, NA, NA
5.	Dr. Sanjay Trehan	President Drug Discovery Research*	8.41	Ph.D. - Doctor of Philosophy, M.Sc. (H)	27	01.07.2004	56	Dr. Reddy's Laboratories Limited, Research Director, 3 years
B.	Persons employed for a part of the Financial Year ended March 31, 2015, who were in receipt of remuneration for any part of the year, at the rate which in the aggregate was not less than Rs.500,000 per month:							
1.	Mr. Partha Sarathi De*	C.F.O. and Head IT & BPR	6.37	B. Sc. (Econ), ACA, AICWA	27	02.06.2008	53	Piramal Glass Limited, President-Finance Glass Group, 2.5 years

*For the period from April 1, 2014 to November 30, 2014.

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 also includes 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.
3. 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 employee at Sl. No. 5 is paid remuneration as per the policy/rules of the Company.
4. All the above said appointments are contractual.
5. 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.
6. The nature of duties of Chairman, Managing Director and Joint Managing Directors is 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. Mr. Sandeep Jain, Joint Managing Director - Overall supervision of day-to-day operations with emphasis on finance, international marketing and regulatory affairs.

For and on behalf of the Board

Dated : August 13, 2015
Place : New Delhi

Soshil Kumar Jain
Chairman

Secretarial Audit Report for the financial year ended March 31, 2015

Annexure F

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

In terms of the provisions of section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration 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 L 33117 PB 1984 PLC 022350 and having its registered office at Ambala Chandigarh Highway, Lalru, Punjab-140 501 (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 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 March 31, 2015, 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 March 31, 2015, 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. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    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 Company has identified the following laws as specifically applicable to the Company:
    a. Drugs & Cosmetics Act, 1940;
    b. Drugs Act, 1940;
    c. Drug (Control) Act, 1950;
    d. Narcotic Drugs and Psychotropic Substances Act, 1955;
    e. Dangerous Drugs Act, 1930;
    f. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
    g. Epidemic Diseases Act, 1897;
    h. Essential Commodities Act, 1955;
    i. The Poisons Act, 1919;
    j. The Pharmacy Act, 1948;

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India; Not applicable as not notified during the period under review;
ii. The Listing Agreements entered into by the Company with Stock Exchanges.

Secretarial Audit Report for the financial year ended March 31, 2015

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

1. The Company had paid remuneration to Mr. Ravinder Jain, as Managing Director of the Company in excess of the limits prescribed under the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

We further report that

During the period under review, the Board of Directors of the Company was 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 : July 31, 2015

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

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

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

1. Maintenance of secretarial records 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. Whereever 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 : July 31, 2015

Report on Corporate Governance

1. Philosophy on Corporate Governance

Corporate Governance is the key element in ensuring investor's protection; providing finest work environment leading to highest standards of management and maximisation of everlasting long -term values. Panacea Biotec beholds Corporate Governance measures as an integral part of business strategy which adds to considerable internal and external values and contributes to the business growth.

Panacea Biotec believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the Board, employees and shareholders are carved out.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximising 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 stakeholders; takes care of the interests of employees; shows consideration for the environment and local community; maintains excellent relations with customers and suppliers; and properly comply with all the applicable legal and regulatory requirements. The Company continues to drive innovations in policies, practices and disclosures on corporate political activities and other key governance areas.

2. Board of Directors

Composition & Size of the Board:

In keeping with the commitment of the Management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of Executive Directors and Independent Non-Executive Directors, representing a judicious mix of professionalism, knowledge and experience.

As on March 31, 2015, the Board of Directors of the Company comprises of 11 members including 5 (Five) Executive Directors (1 Executive Chairman, 1 Managing Director, 2 Joint Managing Directors and 1 Whole-time Director) and 6 (Six) Non-Executive Independent Directors (Including one Woman Director appointed as an Additional Director during the year). The composition of the Board as on March 31, 2015 is in conformity with Clause 49 of the Listing Agreement 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.

Board functioning & procedure:

Panacea Biotec's Board is committed to ensuring good governance through a style of functioning that is self-governing. The members of the Board enjoy complete liberty to express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussions. They are also free to bring up any matter for discussion at the Board Meetings.

Panacea Biotec's Board meets at least four times a year, with a maximum time gap of four months between any two meetings to discuss and review the quarterly results and other items of agenda, including the information required to be placed before the Board, as required under Annexure 1A of Clause 49 of Listing Agreement. The Board also meets and conducts additional meetings as and when required and thought fit. The dates for the Board Meetings are decided well in advance and communicated to the Directors. The Chairman/ Joint Managing Director of the Board and the Company Secretary discuss the items to be included in the agenda and the agenda is sent in advance to the Directors along with the draft of relevant documents and explanatory notes.

During the financial year 2014-15, six (6) Board Meetings were held on May 30, 2014, August 1, 2014, October 31, 2014, December 9, 2014, February 13, 2015 and March 13, 2015.

The attendance of Directors at Board Meetings and last Annual General Meeting and number of Directorships & Committee membership as on March 31, 2015, 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*		
						Other Directorship	Committee Membership	Committee Chairmanship
1.	Mr. Soshil Kumar Jain	Promoter - Chairman	6	3	No	1	-	-
2.	Mr. Ravinder Jain	Promoter - MD	6	1	No	2	1	-
3.	Dr. Rajesh Jain	Promoter - JMD	6	6	No	1	-	-
4.	Mr. Sandeep Jain	Promoter -JMD	6	5	Yes	1	1	-
5.	Mr. Sumit Jain	Promoter Group - WTD	6	1	No	1	-	-
6	Mr. Sunil Kapoor**	NED	2	2	NA	-	-	-
7.	Mr. R.L. Narasimhan	NID	6	4	Yes	4	2	1
8.	Mr. N.N. Khamitkar	-do-	6	5	No	4	2	1

Report on Corporate Governance

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*		
						Other Directorship	Committee Membership	Committee Chairmanship
9.	Mr. K.M. Lal	-do-	6	6	No	5	5	2
10	Dr. A.N. Saksena	-do-	6	6	Yes	1	1	-
11.	Mr. O.P. Kelkar#	-do-	3	3	NA	-	-	-
12.	Mrs. Manjula Upadhyay#	Additional Director	-	-	NA	-	-	-

Note: WTD = Whole-time Director, MD = Managing Director, JMD = Joint Managing Director, NID = Non-Executive Independent Director.

$ Excludes directorships in Private Limited Companies, Foreign Companies, membership of managing committees of various chambers/bodies/Section 8 companies, but include the directorship in NewRise Healthcare Private Limited (Being subsidiary of Panacea Biotec Limited) [Sec 2(71) of Companies Act, 2013]

* Chairmanship/Membership in Audit and Stakeholders Relationship Committee of Public limited companies and deemed public limited companies [Sec 2(71)] is only taken into account as per the Clause 49 of the Listing Agreement.

** Held the position during the period from April 1, 2014 to August 5, 2014.

\# Mr. O.P Kelkar was appointed as an Independent Director w.e.f. October 31, 2014 and Mrs. Manjula Upadhyay was appointed as Additional Director w.e.f. March 30, 2015.

None of the Directors on the Board is a member in more than ten committees and/or acts as Chairman of more than five committees across all the companies in which he is a Director.

None of the Independent Director is acting as an Independent Director in more than 7 listed companies.

Board procedure:

a) Background

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

b) Scheduling and Selection of the Agenda items

The Company Secretary circulates the agenda of the meeting along with all the supporting documents to all the directors entitled to receive the same, to facilitate meaningful and quality discussions at the time of the meeting. The notices and agenda along with supporting documents are circulated well in advance.

c) Information placed before the Board Members

In addition to the regular business items, the Company provides the following information to the Board and Board Committees as and when required, either as part of the agenda papers in advance of the meetings or by way of presentations and discussions material during the meetings:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- Notice of Disclosure of Interest;
- 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.
- 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 regulatory matters concerning Indian or Foreign Regulatory Authorities.
- Contracts/Arrangements in which directors are deemed to be interested.
- Significant labour problems and their proposed solutions and any significant development in human resources/ industrial relations front.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any.
- Any other materially relevant information.

d) Recording Minutes of the Proceedings

Minutes of the proceedings of each Board/Committee/ Shareholders Meetings are recorded. Draft minutes are circulated amongst all the members for their feedback/ comments. The minutes of all the meetings are entered in the minutes book.

e) 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

Report on Corporate Governance

decisions is also reported in the form of status report and is placed at the next meeting of the Board/Committee.

f) 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.

g) Code of Conduct

The Board has laid down a code of conduct for all the Board members and senior management of the Company. As per Clause 49(II)(E) of the Listing Agreement, the Company has amended the Code of Conduct to suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013 (the Act) in its Code of Conduct. The said Code has been communicated to the directors and senior management personnel and is also posted on the web-site of the Company viz. www.panaceabiotec.com.

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.

Independent Directors meeting:

During the year under review, one meeting of Independent Directors was held on March 30, 2015 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 one attended such meeting.

They also assess the quality and adequacy of the information between the Company's management and the Board.

The Lead Independent Directors with/or without other Independent Directors also provides the feedback to the Board about the key elements that emerge out of the meeting.

Brief profile of Directors seeking confirmation/ appointment:

None of the Directors of the Board is a member in more than ten committees and/ or acts as a Chairman of more than five committees across all the companies in which he is a Director.

The brief resume, experience and other details pertaining to the Directors seeking appointment / re-appointment in the ensuing Annual General Meeting, to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is furnished below:

a) Mr. Soshil Kumar Jain

Age : 81 Years

Qualification : Qualified Pharmacist

Professional Expertise: He has more than 59 years' experience in the pharmaceutical industry. He is the founder promoter/director of the company and has been the Chairman of the Company since October, 1984. He started his career in the Indian pharmaceutical industry by joining his family business in the form of a chemist shop set up by his father. Prior to promoting the company, he was associated with Radicura & Co., a partnership firm (formerly owned by the promoters of Panacea Biotec Limited and subsequently taken over by Radicura & Co. Limited (now known as Radicura Infra Limited).

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

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

Shareholding in the Company: He holds 5,000,000 Equity Shares of Re.1 each, comprising 8.16% of total share capital of the Company.

b) Mr. Sumit Jain

Age : 35 Years

Qualification : Post Graduate Diploma in Business Management.

Professional Expertise : He joined Panacea Biotec Limited in May, 2003 as Manager (Vaccines) and was appointed as Whole-time Director in July 2005. He has about 13 years' experience in the pharmaceutical industry. He is currently acting as Director (Operations & Projects) and oversees the upcoming projects and has also been 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 Limited as Executive Director.

Directorships : He is director of Radicura Infra Limited, PanEra Biotec Private Limited and White Pigeon Estate Private Limited

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

Shareholding in the Company: He holds 358,500 Equity Shares of Re.1 each, comprising 0.59% of total share capital of the Company.

c) Mrs. Manjula Upadhyay

Age : 58 Years

Qualification: Law Graduate

Professional Expertise: She is a practicing lawyer with rich experience of around 26 years specially in the field of labour laws and is also a Managing Partner of M/s The Protector Law Firm, a firm rendering consultancy services to several companies including the Company.

Directorships: She does not hold directorship in any other Company

Committee Membership/ Chairmanship: She does not hold any membership/ Chairmanship of any committee

Shareholding in the Company: She doesn't hold any shares in the Company.

3. Audit Committee

Composition & Terms of Reference:

The Audit Committee of the Company had been constituted as per Section 177(2) of the Companies Act, 2013 and the guidelines set out in the Listing Agreement with the Stock Exchanges.

The Committee comprises of Independent Directors who are financially literate persons having vast experience in

the area of finance, accounts and industry. The composition as on March 31, 2015, was as under:

Name	Designation	Category
Mr. R.L. Narasimhan	Chairman	Independent
Mr. N.N. Khamitkar	Member	Independent
Dr. A.N. Saksena	Member	Independent

During the year under review, the Audit Committee was reconstituted due to resignation of Mr. Sunil Kapoor on August 5, 2014 and Dr. A.N. Saksena was appointed as the member of the Audit Committee in his place w.e.f. October 31, 2014.

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.

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 statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of auditor, fixation of audit fee and also approval for payment for any other services;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with management the annual financial statements and auditor's report thereon before submissions to the Board, focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of section 134(3)(f) of the Act;
  - Any changes in accounting policies and practices and reasons for the same;
  - Major accounting entries based on exercise of judgment by management;
  - Qualifications in draft audit report;
  - Significant adjustments made in the financial statements arising out of audit;
  - the going concern assumption;
  - Compliance with accounting standards; and
  - Compliance with listing, stock exchange and other legal requirements concerning financial statements;
- 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.), 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;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval 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;
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussions with internal auditors 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;
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing the company's financial and risk management policies;
- To look into the reasons for substantial defaults, if any, 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 Vigil Mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee:

Apart from other matters, as per Clause 49 of the Listing Agreement the Audit Committee reviewed, to the extent applicable, the following information:

- Management discussion and analysis of financial condition and results of operations;

Report on Corporate Governance

- Statement of significant transactions, submitted by the Management;
- Management letters/ letters of internal control weakness issued by statutory auditors;
- Internal Audit Reports relating to internal control weakness;
- Appointment, removal and terms of remuneration of the Internal Auditors; and
- Related party transactions.

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, shall have 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.

Meetings of Audit Committee and attendance of members during the year 2014-15.

During the year, 4 (four) Audit Committee meetings were held on May 29, 2014, July 31, 2014, October 30, 2014 and February 12, 2015.

The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name of the Member	Designation	Category of Directorship	No. of Meetings held	No. of Meetings attended
1	Mr. R.L. Narasimhan	Chairman	Independent Director	4	4
2	Mr. N.N. Khamitkar	Member	Independent Director	4	3
3	Mr. Sunil Kapoor*	Member	Independent Director	2	2
4	Dr. A.N. Saksena#	Member	Independent Director	1	1

*During the period from April 1, 2014 to August 5, 2014. # During the period from October 31, 2014 to March 31, 2015

The Statutory Auditors, Internal Auditors, Associate Director Finance, Chief Financial Officer, GM Accounts & Taxation and A.G.M. Audit & Compliance & Co-ordinator of Audit Committee are the permanent invitees to the meetings of Audit Committee. Apart from them, Joint Managing Director, AGM Costing and Cost Auditors, attended one or more of the Audit Committee Meetings. The Company Secretary is acting as the Secretary to the Audit Committee. The Chairman of the Audit Committee, Mr. R.L. Narasimhan was present at the Annual General Meeting of the Company held on September 25, 2014.

4. Nomination and Remuneration Committee

During the period under review, in view of the amended Listing Agreement and provisions of the Section 178 of the Companies Act, 2013, the nomenclature of the Committee was changed from "Remuneration Committee" to "Nomination and Remuneration Committee" and the scope of Committee was revised so as to bring in line with the amended Listing Agreement.

Composition:

The composition of the Committee as on March 31, 2015, was as under:

Name	Designation	Category
Mr. R.L. Narasimhan	Chairman	Independent
Mr. N.N. Khamitkar	Member	Independent
Dr. A.N. Saksena	Member	Independent

During the period under review, the Nomination and Remuneration Committee was reconstituted due to resignation of Mr. Sunil Kapoor on August 5, 2014 and Dr. A.N. Saksena was appointed as the member of the Nomination & Remuneration Committee in his place w.e.f. October 31, 2014.

During the year under review, 4 meetings of the Nomination and Remuneration Committee were held on May 30, 2014, August 1, 2014, October 31, 2014 and March 30, 2015.

The attendance of members of the Nomination and Remuneration Committee at the meeting was as follows:

S. No.	Name of the Member	Designation	Category of Directorship	No. of Meetings held	No. of Meetings attended
1	Mr. R.L. Narasimhan	Chairman	Independent	4	3
2	Mr. N.N. Khamitkar	Member	Independent	4	3
3	Mr. Sunil Kapoor*	Member	Independent	2	2
4.	Dr. A.N. Saksena#	Member	Independent	1	1

*During the period from April 1, 2014 to August 5, 2014. # During the period from October 31, 2014 to March 31, 2015.

Role & Terms of reference:

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

i. identify individuals qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
ii. recommend to the Board their appointment and removal;
iii. carry out evaluation of every director's performance;
iv. formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy relating to the remuneration for the directors, key managerial personnel (KMPs) and other employees;

While formulating the policy, the Committee shall ensure that –

a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c. remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Company Secretary is acting as the Secretary to the Nomination and Remuneration Committee. The Chairman of the Committee, Mr. R.L. Narasimhan was present at the Annual General Meeting of the Company held on September 25, 2014.

Nomination and Remuneration Policy

The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

The key components of the Company's Nomination & Remuneration Policy are:

- Compensation will be a 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.

Directors' remuneration:

Remuneration of the Executive Directors consists of a basic salary and perquisites as approved by the Board of Directors and shareholders of the Company within the limits prescribed in Schedule V of the Companies Act, 2013. 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 Executive Directors/Managing/Whole Time Directors during the financial year 2014-15 are as under:

(Rs. in Lacs)

S. No.	Name	Salary	Perquisites	Total
1	Mr. Soshil Kumar Jain	72.00	8.50	80.50
2	Mr. Ravinder Jain	72.00	60.37	132.37
3	Dr. Rajesh Jain	60.00	13.96	73.96
4	Mr. Sandeep Jain	56.40	8.70	65.10
5	Mr. Sumit Jain	25.20	10.50	35.70

Notes:

1. The tenure of office of Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Dr. Rajesh Jain and Mr. Sandeep Jain, Joint Managing Directors of the Company is for 5 years w.e.f. April 1, 2011. The tenure of office of Mr. Sumit Jain, Director (Operations and Projects), subject to the approval of Shareholders, was renewed for 3 years w.e.f. July 22, 2015.
2. Notice period for termination of appointment of Managing/Joint Managing/ Whole time Directors is three months by either party or a shorter period decided mutually. No severance fee is payable on termination of contract.
3. The Company does not have any Stock Option Scheme.
4. All elements of remuneration of the Managing / Joint Managing / Whole-time Directors, i.e., Salary, Perquisites and other benefits, etc. are given in Note 32 annexed to and forming part of Balance Sheet and Profit & Loss Account of the Company.
5. The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis.
6. During the year under review, the remuneration paid to Mr. Ravinder Jain, Managing Director exceeds by Rs.0.82 Lac on account of perquisites over and above the approved limit and approval of shareholders is sought in the ensuing Annual General Meeting for the protection of excess remuneration, subject to approval of Central Government.

In view of the losses incurred by the Company during the financial year ended March 31, 2013, the Company had applied to the Central Government for protection/ payment of remuneration in respect of the financial year 2012-13 and 2013-14 of Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Dr. Rajesh Jain, Joint Managing Director and Mr. Sandeep Jain, Joint Managing Director of the Company and the approvals are awaited.

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b. Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Non-Executive Director is also reimbursed the expenses incurred by him for attending the Board and/ or Committee of Board meetings.

In addition to sitting fees, the Company was paying Independent Directors a monthly remuneration by way of allowances of Rs.15,500 with the approval of Central Government in accordance with the provisions of Companies Act, 1956. However, in terms of Companies Act, 2013 Independent Directors can be paid remuneration only by way of sitting fees and therefore the payment of monthly remuneration was discontinued with effect from October 1, 2014.

Apart from the above, 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, 2015.

The details of remuneration paid to the non-executive directors during financial year ended March 31, 2015 are as under:

(Rs. in Lac)

S. No.	Name	Allowances	Sitting Fees	Total
1	Mr. R.L. Narasimhan	0.93	1.45	2.38
2	Mr. N.N. Khamitkar	0.93	1.75	2.68
3	Mr. Sunil Kapoor	0.62	0.60	1.22
4	Mr. K.M. Lal	0.93	1.40	2.33
5	Dr. A.N. Saksena	0.93	1.75	2.68
6	Mr. O.P. Kelkar	-	0.70	0.70

*Discontinued w.e.f. October 1, 2014.

None of the non-executive Directors holds any shares/ convertible securities of the Company.

Performance Evaluation Criteria:

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, the Board, in consultation with its Nomination & 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 Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, 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.

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 every 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.

Familiarisation Program for independent directors:

In terms of the provisions of Clause 49 of the Listing Agreement, the Company has laid down a familiarisation program for the independent directors. The Familiarisation Program aims at helping the independent directors to understand the Company, its management, roles & responsibilities in the company, operations of the Company etc.

Accordingly, the Company has been following the practice which has helped its independent directors to equip themselves with the Company. The detailed program has been uploaded on the website of the Company at http://www.panaceabiotec.com/statutorypolicies.

5. Stakeholder's Relationship Committee

During the period under review, the nomenclature of the Committee was changed from "Investors' Grievance Committee" to "Stakeholders' Relationship Committee" in terms of the requirements of the amended Listing Agreement and the Companies Act, 2013.

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The composition of the Stakeholders' Relationship Committee of the Board of Directors as on 31st March, 2015, was as under:

Name	Designation	Category
Dr. A.N. Saksena	Chairman	Independent
Mr. R.L. Narasimhan	Member	Independent
Mr. Ravinder Jain	Member	Executive
Mr. Sandeep Jain	Member	Executive

During the period under review, the Stakeholders' Relationship Committee was reconstituted due to resignation of Mr. Sunil Kapoor on August 5, 2014 and Mr. Raghava Lakshmi Narasimhan and Mr. Sandeep Jain were appointed as the members of the Stakeholders' Relationship Committee in place of Mr. Sunil Kapoor w.e.f. October 31, 2014.

During the financial year 2014-15, 4 (four) meetings of Stakeholder's Relationship Committee were held on May 30, 2014, August 1, 2014, October 31, 2014 and February 12, 2015. The attendance of members at such meetings was as follows:

S. No.	Name of the Member	Designation	Category of Directorship	No. of Meetings held	No. of Meetings attended
1	Dr. A.N. Saksena	Chairman	Independent Director	4	4
2	Mr. Ravinder Jain	Member	Promoter Director & MD	4	0
3	Mr. Sunil Kapoor*	Member	Independent Director	2	2
4	Mr. Raghava Lakshmi Narasimhan#	Member	Independent Director	2	2
5	Mr. Sandeep Jain#	Member	Joint Managing Director	2	2

*Resigned w.e.f. August 5, 2014. # Appointed w.e.f. October 1, 2014

Compliance Officer

Mr. Vinod Goel, Company Secretary, is acting as the Secretary to the Committee as well as the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

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 looks after the redressal of investors' grievances and performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

The role of the Stakeholder's Relationship Committee, inter-alia, includes the following:

i) Transfer of Securities.
ii) Transmission/Transposition of Securities.
iii) Splitting up, sub-divide and consolidation of shares.
iv) Dematerialise or rematerialise the issued shares.
v) Authorise affixation of common seal of the Company.
vi) Any other matter relating to Securities of the Company.
vii) Review and redressal of the grievances of all security holders including deposit holders.
viii) Any other areas of investor service.
ix) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Details of Investors' complaints received during the financial year 2014-15:

S. No.	Nature of Complaints	Received	Resolved	Pending
1.	Non-receipt of physical copy of Annual Report	9	9	0
2.	Non-receipt of dividend	0	0	0
	Total	9	9	0

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The Company Secretary is acting as the Secretary to the Stakeholders Relationship Committee. The Chairman of the Committee, Dr. A.N. Saksena was present at the Annual General Meeting of the Company held on September 25, 2014.

The Company put utmost priority to the satisfaction of its shareholders, which is evident from the fact that only 9 complaints were received by the Company. 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, 2015.

6. Subsidiary Companies

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company has one material non-listed material subsidiary and in terms of Clause 49 of the listing agreement, 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.panaceabiotec.com/statutorypolicies.

Radhika Heights Limited is a material non-listed Indian subsidiary of the Company as its 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 were directors on the Board of Radhika Heights Limited during the entire financial year. Mr. Sunil Kapoor resigned from the directorship of Radhika Heights Limited w.e.f. July 23, 2014.

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

The Board's minutes of unlisted 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.

7. General Body Meetings

The details of last three Annual General Meetings and special resolutions passed thereat, are as under:

Financial Year	Date	Time	Venue	Special Resolutions passed
2013-14	25.09.14	11:30 A.M	Regd. Office at Ambala Chandigarh Highway, Lalru – 140501, Punjab	• Approval for re-appointment of Mr. Soshil Kumar Jain (DIN: 00012812), retiring by rotation, in the Annual General Meeting. • Approval for amendment of Articles of Association of the Company, thereby replacing existing Article No. 2, 116(a) & (b) by 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 of 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 and projects for financial years 2014-15 & 2015-16. • Post facto approval of facility agreement entered with Chiron Panacea Vaccines Private Limited (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.
2012-13	25.09.13	11:30 A.M	-do-	• Approval for protection of remuneration of Mr. Soshil Kumar Jain, Chairman, for financial years 2012-13 & 2013-14. • Approval for protection of remuneration of Mr. Ravinder Jain, Managing Director, for financial years 2012-13 & 2013-14. • Approval for protection of remuneration of Dr. Rajesh Jain, Joint Managing Director, for financial years 2012-13 & 2013-14. • Approval for protection of remuneration of Mr. Sandeep Jain, Joint Managing Director of the Company, for financial year 2012-13 and 2013-14. • Approval for protection of remuneration of Mr. Sumit Jain, Whole-time Director, for financial years 2012-13 & 2013-14. • Approval for renewal of arrangement entered into with Residency Resorts Private Limited for availing accommodation and hospitality services as per the terms of agreement approved by Central Government.

Financial Year	Date	Time	Venue	Special Resolution passed
2011-12	29.09.12	11:00 AM	-do-	• Approval for re-appointment of Mr. Soshil Kumar Jain, retiring by rotation, in the Annual General Meeting. • Approval for protection of remuneration paid to Mr. Soshil Kumar Jain, Chairman, for financial year 2011-12. • Approval for protection of remuneration paid to Mr. Ravinder Jain, Managing Director, for financial year 2011-12. • Approval for protection of remuneration paid to Dr. Rajesh Jain, Joint Managing Director, for financial year 2011-12. • Approval for protection of remuneration paid to Mr. Sandeep Jain, Joint Managing Director, for financial year 2011-12. • Approval for protection of remuneration paid to Mr. Sumit Jain, Whole-time Director, for financial year 2011-12.
During the financial year 2014-15, one Extra-Ordinary General Meeting was held at which one special resolution was passed as under:				
2014-15	06.01.15	11:30 AM	-do-	Issue and Offer of Redeemable Preference Shares on a Private Placement basis

8. Postal Ballot

During the financial year, the following special resolutions were passed through Postal Ballot:

Special Resolutions	Votes cast in favour		Votes cast against		Date of declaration of results
	No. of votes	%	No. of votes	%	
For granting borrowing powers to the Board of Directors upto Rs.1,500 Crores. (Under Section 180(1)(c) of the Companies Act, 2013)	4,40,24,744	82.64	92,46,201	17.36	September 22, 2014
To authorise for grant of option to CDR Lenders for converting Loans into Equity Shares.	4,54,83,183	83.10	92,43,790	16.89	December 23, 2014
To approve sale of investment in subsidiary.	4,54,87,255	83.11	92,41,718	16.89	December 23, 2014
For creation of Charges/Mortgages on the Company's properties both present and future, in respect of borrowings.	4,54,83,156	83.10	92,45,852	16.89	December 23, 2014

Procedure for postal ballot:

The Board of Directors had appointed M/s U.S. & Associates. Company Secretaries, as Scrutiniser for conducting the Postal Ballot (physical & e-voting) process in a fair and transparent manner

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms through email and in physical mode along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date.

The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/ the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutiniser on or before the closing of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutiniser submits his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/ authorized officer. The results are also displayed on the website of the Company, www.panaceabiotec.com, besides being communicated to the stock exchanges, depository and Registrar & Share Transfer Agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

None of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a Special resolution through postal ballot.

9. Disclosure

a) Related Party Transactions

During the year, there were no materially significant related party transactions with the promoters, the directors or the

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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. 33 of the Notes to Financial Statements for the year ended March 31, 2015 annexed to and forming part of the Balance Sheet and Profit & Loss Account of the Company.

Policy on Related Party Transactions is displayed on the website of the Company at: http://www.panaceabiotec.com/statutorypolicies.

b) Disclosure of Accounting Treatment

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

c) 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 periodically reviews the risk management framework of the Company and comes out with strategic risk mitigation measures.

d) Whistle Blower Policy / Vigil Mechanism (Clause 49(II)(F)

The Company has implemented a Whistle Blower Policy in the Company in pursuance of clause 49 of the listing agreement and no personnel is denied access to the Audit Committee of the Company. Further, the Board of Directors had adopted and implemented revised vigil mechanism in the Company as per the requirements of Companies Act, 2013 and also in line with revised Clause 49 of the Listing Agreement. A copy of Vigil Mechanism/Whistle Blower Policy is displayed on the website of the Company at: http://www.panaceabiotec.com/statutorypolicies.

e) Compliances by the Company

During the last three years, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets.

f) Non-Mandatory Requirements under Clause 49 of the Listing Agreement

The Company has complied with all the mandatory requirements of clause 49 of the listing Agreement. As regards the adoption of non-mandatory requirements as contained in Annexure XIII to clause 49 of the listing agreement, the company has implemented the requirements as per details given below:

i) The Board

The Chairman of the Company is an Executive Director.

ii) Shareholders' rights

The quarterly/ half-yearly results, after they are approved by the Board of Directors, are sent forthwith to the Stock Exchanges where the Company's shares are listed, published in the newspapers as mentioned under the heading "Means of Communication" at Sl. No. 11 herein below and also displayed on the Company's website www.panaceabiotec.com. They are also uploaded electronically in the website of NSE & BSE viz. NSE electronic application processing system (NEAPS) and BSE Corporate Compliance & Listing Center, respectively. The results are not separately circulated to the shareholders.

iii) Reporting of Internal Auditor

The Internal auditors of the Company report to the Audit Committee.

iv) Separate posts of Chairman and CEO

The Company has separate persons to the post of Chairman and Managing Director.

10. Prohibition of Insider Trading

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct for its management, staff and relevant business associates and is made 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.

11. Means of communication

i) The Quarterly and Half-Yearly results are published in one or more of the prominent daily newspapers, viz. Mint/ Financial Express, New Delhi and Mumbai editions, and in Punjabi Tribune/Desh Sewak, Chandigarh, the local newspaper published in the language of the region in which Registered Office is situated.

ii) The Company also intimates 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.

iii) The Annual Results (Annual Report containing Balance Sheet etc.) are posted/ emailed to every shareholder of the Company.

iv) The Company's web-site, viz. www.panaceabiotec.com, is regularly updated with the financial results, annual report and other important events.

v) Management's Discussion and Analysis Report has been included in the Annual Report being sent to the shareholders of the Company.

12. CEO/CFO Certification

The Joint Managing Director and Chief Financial Officer & Head Information Technology have certified, in terms of revised clause 49 of the Listing Agreement, 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 CFO certification of the financial statements and the cash flow statement for the year is enclosed as Annexure – II to this report.

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13. General Shareholder Information

i) 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.

ii) Date of AGM:

The 31st Annual General Meeting is proposed to be held on Wednesday, the 30th day of September 2015, 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 September 5, 2015
Last date of receipt of Proxy Form	September 28, 2015 before 11:30 A.M.
E-voting Period	From September 27, 2015 (9:00 AM) to September 29, 2015 (5:00 PM)

iii) The Financial Year of the Company covers the fiscal period from 1st April to 31st March.

iv) Financial Calendar 2015-16 (tentative):

S. No.	Tentative Schedule	Tentative Date
1	Financial reporting for the quarter ended June 30, 2015	August 13, 2015 (Actual)
2	Financial reporting for the half year ending September 30, 2015	Mid of November, 2015
3	Financial reporting for the quarter ending December 31, 2015	Mid of February, 2016
4	Financial reporting for the quarter ending March 31, 2016	End of May, 2016
5	Annual General Meeting for the year ending March 31, 2016	End of September, 2016

v) Date of Book Closure:

The Share Transfer Books and Register of Members of the Company will remain closed from September 24, 2015 to September 30, 2015 (both days inclusive).

vi) Dividend Payment Date

In view of non-availability of profits during the current financial year, the Board of Directors has not recommended any dividend on the Equity Shares of the Company.

vii) Unclaimed Dividends

Under the Companies Act, 1956, dividend for the financial year ended March 31, 2008 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEP Fund) established by the Central Government During the financial year separate letters have already been sent to the members who are yet to encash the dividend for the financial year 2007-08 indicating the unclaimed amount will be transferred to IEPF, if not claimed by the members within the due date of the transfer to the said Fund. Members are once again requested to encash their unclaimed dividend, if any.

During the year, the Company had transferred Rs.161,312 lying unclaimed in Unpaid Dividend Account in respect of Dividend for the Year 2006-07 to the said Fund on November 26, 2014.

Information in respect of other unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year	Date of declaration of Dividend	Last date for claiming unclaimed Dividend	Due date for transfer of dividend
2007-08	27.09.2008	26.10.2015	25.11.2015
2009-10	25.09.2010	24.10.2017	23.11.2017
2010-11	24.09.2011	23.10.2018	22.11.2018

viii) Listing on Stock Exchange

The Company's Equity Shares are listed on the following Stock Exchanges:

- The National Stock Exchange of India Limited (NSE), Bandra Kurla Complex, Bandra (E), Mumbai.
- BSE Limited (BSE), P J Tower, Dalal Street, Fort, Mumbai.

ix) Stock Code of Equity Shares

- Trade symbol at National Stock Exchange is PANACEABIO.
- Stock Code at BSE Limited is 531349.
- ISIN No. for Dematerialization is INE922B01023.

The Company has paid listing fees for the period 2015-16 to both the above stock exchanges and there is no outstanding payment as on date.

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x) Market Price data:

The High and Low prices of the shares of the Company at BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) for the year ended March 31, 2015 are as under:

Month	Share Prices (Rs.) at BSE		Share Prices (Rs.) at NSE	
	High	Low	High	Low
April, 2014	180.40	94.65	180.90	94.80
May, 2014	194.40	154.8	195.90	154.00
June, 2014	199.00	167.00	198.50	165.50
July, 2014	190.50	160.00	191.00	156.10
August, 2014	184.40	155.40	185.00	155.85
September, 2014	218.95	166.10	219.35	166.00
October, 2014	180.00	136.70	178.75	153.10
November, 2014	175.00	151.25	177.00	150.05
December, 2014	184.40	146.40	184.40	145.00
January, 2015	154.05	137.00	154.45	137.00
February, 2015	151.00	125.00	151.00	119.50
March, 2015	147.20	98.60	146.50	99.10

xi. The comparison of the Companys' closing share price as at the beginning and close of the financial year ended March 31, 2015 with broad based indices viz. – BSE Sensex & NSE Nifty, as under:

	April 1, 2014	March 31, 2015	Changes in %
Share Price (closing) at BSE	94.90	140.10	47.63
Sensex Closing	22,446	27,957	24.55
Share Price (closing) at NSE	94.30	141.10	49.63
Nifty Closing	6721.00	8491.00	26.34

xii) Registrar and Transfer Agents:

Skyline Financial Services Private Limited are acting as Registrar & Transfer Agent (RTA) for handling the share related matters, both in physical as well as dematerialised mode. All works relating to equity shares are being done by them. The Shareholders are, therefore, advised to send all their correspondence 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.

xiii) Nomination Facility:

Pursuant to Section 72 of the Companies Act, 2013, 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 Company's website at www.panaceabiotec.com and may write to the Registrar & Transfer Agent of the Company.

Those holding shares in dematerialised form may contact their respective Depository Participant (DP) to avail the nomination facility.

xiv) 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 letters to all 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. Several reminder letters have also been send to those shareholders who have not yet sent request for exchange of their share certificates.

All the shareholders who have not yet sent their request for exchange of share certificates are requested to 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.

xv) Elimination of Duplicate Mailing

The shareholders who are holding shares in physical mode 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.

xvi) Share Transfer System

The Company's shares transfer authority 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 matters relating to transfer, transmission, transposition and dematerialisation of shares and redressal of Investors' grievance, etc., if any. The shares received by the Company/ RTA for registration of transfers are processed by RTA (generally within a week of receipt) and transferred expeditiously and the Share Certificate(s) are returned to the shareholder(s) by registered post. As per the requirement of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

xvii) 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) Limited (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 shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The reconciliation of share capital audit reports for each quarter of the financial year ended March 31, 2015 have been filed with Stock Exchanges within one month of the end of each quarter.

xviii) Dematerialisation 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 dematerialised. As on March 31, 2015, 60,778,955 equity shares (representing 99.23% of the Company's total Equity Share Capital) were held in dematerialised form and only 4,71,791 Equity Shares were in paper/physical form.

The shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest, as the Company's shares are required to be compulsorily traded at Stock Exchanges in dematerialised form only.

The Shares of the Company are regularly traded at the National Stock Exchange and the BSE Limited.

xix) Share Dematerialisation System

The requests for dematerialisation of shares are processed by RTA expeditiously and the confirmation in respect of dematerialisation of shares is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialisation 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.

xx) Distribution of Equity Shareholding as on March 31, 2015:

No. of Shares	No. of Shareholders	No. of Shares	% of total no. of shareholders	% of shareholding
Upto 2500	10269	2,703,667	97.29	4.41
2501-5000	167	604,311	1.58	0.99
5001-10000	53	382,591	0.50	0.62
10001-100000	37	913,749	0.35	1.50
100001 and above	29	56,646,428	0.28	92.48
Total	10,555	61,250,746	100.00	100.00

xxi) Pattern of Equity Shareholding as on March 31, 2015:

S.No.	Category	No. of Shareholders	No. of Shares	Percentage
1.	Promoters and Promoter Group	23	45,622,947	74.49
2.	Institutional Investors (FIIs, Banks & Mutual Funds)	8	1,180,337	1.93
3.	NRIs / OCB / Foreign Corporate Bodies	196	769,553	1.254
4.	Domestic Companies	356	9,911,260	16.18
5.	Indian Public/ Others	9972	3,766,649	6.15
	Total	10555	61,250,746	100.00

xxii) Plant Locations

1. Bulk Vaccines facilities at Samalheri, Ambala-Chandigarh Highway, Lalru-140501, Dist. Mohali, Punjab, India
2. Vaccines Formulations facility at Village Malpur, Baddi, Dist. Solan, H.P. -173 205, India
3. Pharmaceutical Formulations facility at Village Malpur, Baddi, Dist. Solan, H.P. -173 205, India
4. Pharmaceutical Formulations facility at B-1/E-12, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044, India

Report on Corporate Governance

xxiii) 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 : +91-11-41679075, 41679070 E-mail : companysec@panaceabiotec.com investorgrievances@panaceabiotec.com Contact Person : Mr. Deepak Goyal, Manager - Secretarial
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 Contact Person : Mr. Devender Gupta - Chief Financial Officer & Head Information Technology

For and on behalf of the Board

Dated : August 13, 2015
Place : New Delhi

Soshil Kumar Jain
Chairman

Annexure - I

Declaration under Clause 49-I (D) of the Listing Agreement

To

The Members of Panacea Biotec Limited

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 period ended March 31, 2015.

For Panacea Biotec Limited

Dated : August 13, 2015
Place : New Delhi

Dr. Rajesh Jain
Joint Managing Director

Annexure - II

Certificate from Joint Managing Director & Chief Financial Officer

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 2014-15 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;
   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, and that 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 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 in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii) instances of significant fraud of which we 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

Dated : May 30, 2015 Place : New Delhi	Naresh Chand Gupta GM - Accounts & Taxation	Devender Gupta Chief Financial Officer & Head Information Technology	Dr. Rajesh Jain Joint Managing Director

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COMPLIANCE CERTIFICATE ON CORPOARATE 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 March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 above-mentioned Listing Agreement.

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

Dated : August 13, 2015
Place : New Delhi

Partner
Membership No. FCS 7775
C.O.P. No. - 8612

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, 2015, the Statement of Profit and Loss, 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 specified 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; safeguarding the assets of the Company; 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.

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 the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

8. As stated in note 53 to the standalone financial statements, during the year ended March 31, 2015, the Company had received advance research fees from a customer amounting to Rs.197.2 million which has been accounted for as income from research and development. In our opinion, the recognition of such advances as income is not consistent with the revenue recognition principles prescribed under the Accounting Standard – 9 (AS-9) 'Revenue Recognition'. Had the Company followed the principles of AS-9 with respect to these amounts, the revenue for the year ended March 31, 2015 would have been lower by Rs.197.2 million and the loss for the year ended March 31, 2015 would have been higher by Rs.197.2 million. Further, the reserves and surplus as at that date would have been lower by Rs.197.2 million and current liabilities as at that date would have been higher by Rs.197.2 million.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph,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, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matters

10. We draw attention to Note 44 to the standalone financial statements regarding payment of managerial remuneration of Rs.37.5 million and Rs.37.2 million for the financial years ended March 31, 2014 and 2013 respectively, which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956, by Rs.13.5 million and Rs.13.2 million respectively. The Company has filed necessary application to the Central Government which is pending approval as on date. Pending the ultimate outcome of the aforesaid matter which is presently unascertainable, no adjustments have been recorded in the statement. Our report is not qualified in respect of this matter.

Independent Auditors' Report

11. We draw attention to note 45 to the standalone financial statements which indicates that the Company has incurred a net loss of Rs.652.3 million for the year ended March 31, 2015. Further as of that date, the Company's current liabilities exceeded its current assets by Rs.3,835.3 million. These conditions along with other matters as set forth in aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our report is not qualified in respect of this matter.

Other matter

12. The audit of the standalone financial statements for the previous year ended March 31, 2014, included in the standalone financial statements was carried out and reported by S.R. Batliboi & Co. LLP vide their unqualified audit report dated May 30, 2014, whose audit report has been furnished to us and which have been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. As required by Section 143(3) of the Act, we report that:

    a. we have sought and, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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. except for the effects of the matter described in the Basis for Qualified Opinion paragraph,in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. the matter described in paragraph 11 under the Emphasis of Matters 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, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

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

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

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

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Anupam Kumar

Partner

Membership No.: 501531

Place : New Delhi

Date : May 30, 2015

Annexure To the Auditors' Report

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, 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. No material discrepancies were noticed on such verification.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

(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.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth 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 with the appropriate authorities, though there has been a slight delay in a one case. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess 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	96.6	Assessment Year 2005-06	CIT(Appeals)
Income Tax Act, 1961	Disallowance in respect of certain purchases and expense items	3,294.9	-	Assessment Year 2006-07 to 2012-13	CIT(Appeals)
The Finance Act, 1994	Demand raised for service tax by Assessing Officer	72.6	Nil	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	Hon'ble Supreme Court

(c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.

(viii) In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and the immediately preceding financial year.

(ix) As explained in Note 47 to the financial statements, after receiving the approvals for rescheduling its loans from the banks, the Company has not defaulted in repayment

of its dues to any bank during the year. The Company has no dues payable to any financial institution or debenture-holders during the year.

(x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.

(xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker Chandiok & Co LLP

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Anupam Kumar

Partner

Membership No.: 501531

Place : New Delhi

Date : May 30, 2015

Balance Sheet As at March 31, 2015

(Rs. in million)

	Note No.	As at March 31, 2015		As at March 31, 2014	
Equity and Liabilities					
Shareholders' funds					
Share capital	3	224.3		61.3	
Reserves and surplus	4	5,172.8	5,397.1	5,561.6	5,622.9
Non-current liabilities					
Long term borrowings	5	6,284.4		4,801.2	
Deferred tax liabilities (Net)	6	-		-	
Other long term liabilities	8	7.0		17.3	
Long term provisions	7	116.8	6,408.2	116.3	4,934.8
Current liabilities					
Short-term borrowings	9	3,198.3		3,544.1	
Trade payables	10	1,869.7		2,262.6	
Other current liabilities	10	1,867.5		2,481.2	
Short-term provisions	7	51.5	6,987.0	19.0	8,306.9
Total			18,792.3		18,864.6
Assets					
Non current assets					
Fixed assets	11				
Tangible assets		10,397.9		10,550.9	
Intangible assets		198.9		308.6	
Capital work-in-progress		46.9		137.2	
Intangible assets under development		122.9	10,766.6	123.6	11,120.3
Non-current investments	12		3,946.6		3,942.0
Long-term loans and advances	13		926.8		889.4
Other non current assets	17		0.6		1.8
			15,640.6		15,953.5
Current assets					
Inventories	15		1,409.0		1,767.6
Trade receivables	14		1,004.3		905.8
Cash and bank balances	16		423.7		96.8
Short-term loans and advances	13		264.2		102.0
Other current assets	17		50.5		38.9
			3,151.7		2,911.1
Total			18,792.3		18,864.6
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 and on behalf of Board of Directors of Panacea Biotec Limited

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Place : New Delhi
Dated : May 30, 2015

Soshil Kumar Jain
Chairman
(DIN 00012812)

Naresh Chand Gupta
G.M. Accounts & Taxation

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Devender Gupta
Chief Financial Officer &
Head Information Technology

Statement of Profit & Loss Account For the Year ended March 31, 2015

(Rs. in million)

		Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue				
Revenue from operations (net)		18	6,792.0	4,975.7
Other income		19	280.5	171.0
	Total (a)		7,072.5	5,146.7
Expenses				
Cost of raw and packing material consumed		20	2,414.2	1,965.8
Purchases of traded goods		21	207.9	223.9
Changes in inventories of:		21		
finished goods			50.4	392.4
work-in- progress			212.5	(514.3)
stock in trade			1.0	13.0
Employee benefits expenses		22	1,332.3	1,427.3
Finance costs		24	931.7	1,480.5
Depreciation and amortisation expenses		25	657.4	688.0
Other expenses (including prior period expenses of Rs. Nil (Previous years Rs.19.4 million))		23	1,898.5	2,444.5
	Total (b)		7,705.9	8,121.1
Profit/(Loss) before exceptional	(a-b)		(633.4)	(2,974.4)
and extraordinary items and tax				
Exceptional items		26	-	2,970.2
	Total (c)		-	2,970.2
Profit/(Loss) before tax	(a-b) + (c)		(633.4)	(4.2)
Tax expenses				
Current tax			18.9	-
Total tax expenses			18.9	-
Profit/(Loss) for the year			(652.3)	(4.2)
Earnings per equity share of Re.1 each:				
Basic earnings per share (in Rs.)		27	(10.65)	(0.07)
Diluted earnings per share (in Rs.)		27	(10.65)	(0.07)
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 and on behalf of Board of Directors of Panacea Biotec Limited

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Place : New Delhi
Dated : May 30, 2015

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Naresh Chand Gupta
G.M. Accounts & Taxation

Devender Gupta
Chief Financial Officer &
Head Information Technology

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

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 stock exchanges in India. The Company is one of the India's leading research based health management companies engaged in the business of research, development, manufacture and marketing of branded Pharmaceutical Formulations and Vaccines. The Company has products for various segments, which include pain management, diabetes management, organ transplantation, oncology and pediatric 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") 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 companies operating cycle and other criteria set out in the Companies Act, 2013.

2.1 Summary of significant accounting policies

a) Change in Accounting Policy

During the financial year ended March 31, 2014, the Company, with effect from October 1, 2013, had revised its accounting policy of providing for depreciation from written down value method to the straight-line method as the management believed that the straight line method of depreciation accounting would result in more appropriate presentation of financial information. The Company had also carried out a technical evaluation to assess the revised useful life of fixed assets. The change in the above accounting policy resulted in a surplus of Rs.1,948.3 million relating to the depreciation already charged upto the period ended September 30, 2013. Out of the total surplus of Rs.1,948.3 million, surplus of Rs.1,770.9 million, was credited to the statement of profit and loss of the previous year and shown as exceptional income and the balance surplus of Rs.177.4 million, which was related to the revalued amount of fixed assets, was credited to the revaluation reserve during the previous year.

b) 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.

c) Fixed assets

Fixed assets, except land and buildings are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of 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, recognized 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 recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation reserve.

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 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 Company Affairs (MCA) circular dated August 09, 2012, exchange differences adjusted to the cost of 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 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.

d) 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:

Tangibles 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.

iii) With effect from April 1, 2014, the Company has discontinued the recoupment of depreciation from revaluation reserve in compliance with the provisions of Schedule II of the Companies Act, 2013.

e) 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;
- 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:

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

f) 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 Lesser:

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 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.

g) 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

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

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.

h) Borrowing costs

Borrowing costs 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.

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.

i) 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.

j) 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.

k) 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.

Work-in-progress ("WIP") and finished goods are valued at lower of cost and net realisable 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.

l) 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.

m) 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:

1. 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.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. 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.

n) 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.

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. 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.

o) 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.

Summary of significant accounting policies and other explanatory information

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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 Alternative 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.

p) 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.

q) 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.

r) Segment reporting policies

(i) Identification of segments:

Primary segment

Business segment: The Company's operating businesses are organized 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.

s) 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.

t) 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.

u) 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, 2015	As at March 31, 2014
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 Nil) 0.5% cumulative non convertible and non participating redeemable preference shares of Rs.10 each	163.0	-
	224.3	61.3

Summary of significant accounting policies and other explanatory information

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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 Company has not declared any dividend for current 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 shareholders.

d) Terms/right attached to 0.5% cumulative non convertible and non participating redeemable preference shares:

During the year, the Company has issued 0.5% cumulative non convertible and non participating redeemable preference shares by converting unsecured loan/ fixed deposits payable to promote Rs.

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 Company has not declared any dividend for current year.

The preference shares are 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 holders. The distribution will be in proportion to the number of preference shares held by the 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, 2015		As at March 31, 2014	
	No.	Amount	No.	Amount
At the beginning of the year	61,250,746	61.3	61,250,746	61.3
Movement 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, 2015	
	No.	Amount
At the beginning of the year	-	-
Movement during the year	16,300,000	163.0
Outstanding at the end of the year	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:

	2014-15	2013-14	2012-13	2011-12	2010-11
Bonus Share	-	-	-	-	-
Preference shares issued for consideration other than cash by conversion of loan	16,300,000	-	-	-	-
Equity shares bought back by the Company	-	-	-	-	5,592,000
Total	16,300,000	-	-	-	5,592,000

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

	As at March 31, 2015		As at March 31, 2014	
Name of persons	No. of shares	% age of holding	No. of shares	% 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 Limited	8,932,632	14.58%	8,932,632	14.58%

i) Detail of 0.5% cumulative non convertible and non participating redeemable preference shareholders holding more than 5% shares in the Company :

	As at March 31, 2015	
Name of persons	No. of shares	% age of holding
Mr. Soshil Kumar Jain	6,570,000	40.31%
Dr. Rajesh jain	6,570,000	40.31%
Mr. Sandeep Jain	3,160,000	19.38%

The above information has been furnished as per the shareholders detail available with the Company at the year end.

Summary of significant accounting policies and other explanatory information

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(Rs. in million)

	As at March 31, 2015		As at March 31, 2014	
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 reserve				
Balance as per the last financial statements		897.0		897.0
Revaluation reserve				
Balance as per the last financial statements (refer note 2.1 (c))	3,832.0		3,723.1	
Add: surplus on account of revaluation of tangible assets	268.9		177.4	
Less: amount transferred to the statement of profit and loss	-		(68.5)	
as reduction from depreciation		4,100.9		3,832.0
Foreign currency monetary item translation difference account				
Balance as per the last financial statements (refer note 48)	(196.8)		(102.4)	
Add: Exchange differences accumulated during the year	(65.0)		(139.8)	
Less: Exchange differences amortised during the year	59.6	(202.2)	45.4	(196.8)
General reserve				
Balance as per the last financial statements		364.9		364.9
(Deficit)/ Surplus in the statement of profit and loss				
Balance as per the last financial statements	(363.9)		(359.7)	
Loss for the year	(652.3)	(1,016.2)	(4.2)	(363.9)
		5,172.8		5,561.6

(Rs. in million)

	Non-current portion as at		Current maturities as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
5. Long Term Borrowings				
Term Loans				
Foreign currency term loans from banks (secured)				
Bank of India (refer note A & B)	1,562.5	1,497.3	-	-
Indian rupee term loan from banks (secured)(refer note A & B)				
State Bank of India [loan - I]	1,576.0	1,200.0	24.0	400.0
State Bank of India [loan - II]	800.3	650.0	12.2	162.5
State Bank of India [loan - III]	231.7	173.2	3.5	62.0
State Bank of Travancore	548.3	822.5	548.3	274.2
Indian Overseas Bank	985.0	375.0	15.0	625.0
Indian rupee working capital term loan from banks (secured)(refer note A & B)				
Axis Bank Limited	4.7	-	0.1	-
Bank of India	59.7	-	0.9	-
Canara bank	36.1	-	0.6	-
IDBI Bank Limited	17.0	-	0.3	-
Indian Overseas Bank	45.8	-	0.7	-
Union Bank of India	43.8	-	0.7	-
Indian rupee funded interest term loan from banks (secured)(refer note A & B)				
Axis Bank Limited	3.3	-	0.0	-
Bank of India	66.3	-	1.0	-
Canara bank	22.0	-	0.3	-
IDBI Bank Limited	10.6	-	0.2	-
Indian Overseas Bank	180.1	-	2.7	-
Union Bank of India	26.7	-	0.4	-
Indian rupee other term loans				
Department of Biotechnology (secured) (refer note C (i))	46.2	58.0	41.8	30.0
Technology Development Board (secured) (refer note C (ii))	6.3	11.2	6.2	1.3
Department of Science & Technology (unsecured) (refer note C (iii))	12.0	14.0	6.0	4.0
	6,284.4	4,801.2	664.9	1,559.0
The above amount includes				
Secured borrowings	6,272.4	4,787.2	658.9	1,555.0
Unsecured borrowings	12.0	14.0	6.0	4.0
Amount disclosed under the head "Note 10. Other current liabilities"	-	-	(664.9)	(1,559.0)
Net amount	6,284.4	4,801.2	-	-

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

Notes :

A. Loans under Corporate Debt Restructuring (CDR)

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 24.09.2014, except foreign currency term loan from Bank of India.
2. The Company has executed Master Restructuring Agreement (MRA)/other definitive documents with all lender banks, except State Bank of Travancore, on December 27, 2014 with Cut Off Date of 1st October, 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 instalments starting from quarter ending December 2015 till September 2023. However, first instalment will be 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% w.e.f. October 1, 2018.
   v. Interest obligations aggregating Rs.1,554.0 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) on sustainable working capital borrowings for a period of 12 months from Cut Off Date, shall be converted into Funded Interest Term Loan (FITL).
   vi. The entire overdues aggregating Rs.842.8 million in the working capital borrowings as on the Cut Off Date shall be 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. The Rupee term loan from State Bank of Travancore of Rs.1,096.6 million is repayable in twelve quarterly installments commencing from June 2014. (refer note 46)

B. Securities for the long term loans and sustainable working capital borrowings:

1. The long term borrowings, except Rupee term loans from Department of Biotechnology, Technology Development Board, and Department of Science & Technology, 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; (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; and iii) personal guarantees by the promoter directors viz. Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain of the Company.
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; (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; and (iii) personal guarantees by the promoter directors viz. Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain of the Company.
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 shares held by the promoter directors viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain in the Company. The personal guarantee and pledge of shares held by Mr. Ravinder Jain and Mr. Sumit Jain, in the Company, are currently pending.
4. The long term loans and working capital facilities from SBI & SBT 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 Samel Heri, Tehsil Dera Bassi, District S.A.S. Nagar (Mohali) in the State of Punjab;
   ii. All parcels of land admeasuring 93 Bighas, 12 Biswas and 10 Biswasi situated at Village Samelheri, Sub Registrar Derabassi, District Patiala in the State of Punjab;
   iii. All parcels of land admeasuring 26 Bighas 3 biswas comprised in various Khewat/Khatoni Numbers, situated Village Manpura, Tehsil Nalagarh, District Solan in the State of Himachal Pradesh;
   iv. All parcels of land admeasuring 91 Bighas 1 Biswa, comprised in various Khewat/Khatoni Numbers situated Village Malpura, Tehsil Nalagarh, District Solan in the State of 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 (Mohali), District S.A.S. Nagar (Mohali), Punjab;
   vi. Flat number 3, 4, 203 and 303 situated at Elite Heights Apartment, at municipal n. 6-3-1238/15/1 & 6-3-1238/16 survey no: 32/1, at Somajiguda, Hyderabad;
   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. Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri,(East) Mumbai;
   x. 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;
   xi. Flat no. 701 & 702 in A/B wing situated at Progressive Sea Lounge, plot no: 44 & 45, sector-15, C.B.D. Belapur, 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 Mohili village Andheri Kurla, Road Greater Mumbai; and
   xiii. Industrial plot no, Gen-72/3, land measuring 5518 sq. mts. in the Trans Thane Creek Industrial Area, Navi Mumbai;

C. Repayment terms and security of the loans outside the CDR Scheme: (refer note 47)

i. Rupee term loan from Department of Biotechnology is for specific projects (H1N1, Streptococcus and Alopecia), which is repayable in ten equal half-yearly installments commencing from one year after the completion of the project and the same is secured by way of hypothecation of the Company's all equipments, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) by way of first charge on pari-passu basis.

ii. Rupee term loan from Technology Development Board (TDB) is for specific project and is repayable in nine equal half-yearly installments commencing from January 2015 and the same 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. The Company is in process of executing a supplementary agreement with TDB restricting the loan amount to Rs.1.25 crores and revise the installments accordingly.

iii. The unsecured Rupee term loan from Department of Science and Technology is for specific project and is repayable in ten equal annual installments commencing from September 2012.

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
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	864.4	935.1
Capital expenditure on research and development	25.8	0.6
Effect of finance lease accounting	0.9	3.1
	891.1	938.8
Deferred tax assets relating to		
Effect of expenditure debited to statement of profit and loss but allowed for tax purposes on payment basis	560.6	132.1
Effect of unabsorbed business loss and depreciation*	330.5	806.7
	891.1	938.8
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".

(Rs. in million)

	Long term as at		Short term as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
7. Provisions				
Provision for employees benefits				
Provision for gratuity (refer note 43)	35.4	20.2	-	-
Provision for compensated absences	81.4	96.1	36.5	-
Other provisions				
Provision for wealth tax	-	-	5.0	9.0
Provision for litigations*	-	-	10.0	10.0
	116.8	116.3	51.5	19.0
Movement in provision for litigations				
Opening balance			10.0	10.0
Addition during the year			-	-
Deletion during the year			-	-
Closing balance			10.0	10.0

* Maharashtra State Electricity Distribution Company Limited [MSEDCL] served a demand notice to the Company on account of wrong tariff rates applied for the power consumption at its research and development center located at Navi Mumbai. The Company contested the matter in Consumer Grievance Redressal Forum [CGRF] of MSEDCL which had already given decision in favor of the Company. However, MSEDCL challenged the decision and filed a case with the Mumbai High Court. During the previous year, the High Court has passed an order in favor of the Company. However, the MSEDCL has further challenged the decision of the High Court and moved the matter to Honorable Supreme Court. A provision of Rs.10.0 million has been accounted for in the books of accounts pertaining to this notice on a conservative basis.

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
8. Other long term liabilities		
Income received in advance	7.0	17.3
	7.0	17.3
9. Short term borrowings		
Cash credits from banks (secured) (refer note 5(B)(2))	2,084.8	2,504.0
Buyers' credit from banks (secured) (refer note 5(B)(2))	543.4	208.2
Working capital loan from bank (secured)	-	64.1
Deposits from public (unsecured)	-	7.0
Deposits from related parties (unsecured)		133.2
Loan from related parties (unsecured) (refer note 32)	450.1	627.6
Loan from others (unsecured)	120.0	-
	3,198.3	3,544.1
The above amount includes		
Secured borrowings	2,628.2	2,776.3
Unsecured borrowings	570.1	767.8
	3,198.3	3,544.1

Summary of significant accounting policies and other explanatory information
to the financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
10. Other current liabilities		
Trade payables (Refer note 30 for details of dues to micro & small enterprises)	1,869.7	2,262.6
Other liabilities		
Current maturities of long term borrowings (note 5)	664.9	1,559.0
Interest accrued but not due on borrowings	5.3	21.0
Interest accrued and due on borrowings	975.7	551.8
Advances from customers	102.7	240.6
Income received in advance	10.3	10.2
Sundry deposits	55.3	49.6
Statutory dues	52.9	48.4
Investor education and protection fund will be credited by following amount (as & when due)		
Unpaid dividend on equity shares	0.4	0.6
	1,867.5	2,481.2

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 1, 2013	2,517.8	210.3	3,804.5	83.7	6,536.9	357.1	156.9	226.1	190.9	14,084.2
Additions	-	-	9.6	-	68.7	-	-	0.3	0.4	79.0
Disposals/Transfer	-	-	-	-	-	0.1	13.3	0.5	1.0	14.9
Sale/Adjustment										-
- Exchange Differences	-	-	-	-	-	-	-	-	-	-
At March 31, 2014	2,517.8	210.3	3,814.1	83.7	6,605.6	357.0	143.6	225.9	190.3	14,148.3
Additions	-		8.1	8.6	110.9	0.1	0.2	0.9	0.1	128.9
Revaluation	(147.1)	81.5	334.5							268.9
Disposals/Transfer	-	-	-	-	-	-	11.9	0.0	0.8	12.7
Other Adjustments										
- Exchange Differences										-
At March 31, 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
Depreciation										
At April 1, 2013	-	7.8	983.2	82.8	3,179.7	243.4	112.1	136.3	169.1	4,914.4
Charge for the year	-	2.7	143.0	0.4	386.3	21.9	13.5	8.8	9.6	586.2
Adjustment change of method		-	(676.4)	-	(1,277.4)	(26.2)	(20.4)	55.3	(3.2)	(1,948.3)
Deduction and Adjustment during the year	-	-	-	-	-	0.1	10.5	0.3	0.9	11.8
Other Adjustments										-
- Exchange Differences	-	-	6.9	0.0	46.9	1.1	-	1.5	0.5	56.9
Adjustment for Change in Accounting Policy										
At March 31, 2014	-	10.5	456.7	83.2	2,335.5	240.1	94.7	201.6	175.1	3,597.4
Charge for the year	-	2.7	87.0	1.2	363.9	24.3	12.4	4.9	4.9	501.3
Deduction and Adjustment during the year	-	-	-	-	-	-	8.1	0.0	0.8	8.9
Other Adjustments										
- Exchange Differences	-	-	4.1	-	39.0	1.0	-	1.6	-	45.7
At March 31, 2015	-	13.2	547.8	84.4	2,738.4	265.4	99.0	208.1	179.2	4,135.5
Net Block										
At March 31, 2014	2,517.8	199.8	3,357.4	0.5	4,270.1	116.9	48.9	24.3	15.2	10,550.9
At March 31, 2015	2,370.7	278.6	3,608.9	7.9	3,978.1	91.7	32.9	18.7	10.4	10,397.9
Capital work-in-progress				`						
At March 31, 2014										137.2
At March 31, 2015										46.9

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

Intangible Assets (Rs. in million)

Description	Patent, Trademark & Copyrights	Softwares	Websites	Product Development	Total
Cost or Valuation					
At April 1, 2013	67.5	219.3	9.2	487.7	783.7
Additions	-	3.4	-	0.0	3.4
Sale/ Adjustment					
Other Adjustments					
- Exchange Differences					
At March 31, 2014	67.5	222.7	9.2	487.7	787.1
Additions	-	0.7	-	-	0.7
Disposals					-
At March 31, 2015	67.5	223.4	9.2	487.7	787.8
Depreciation					
At April 1, 2013	59.8	143.2	9.2	152.9	365.1
Charge for the year	2.6	24.6	-	86.2	113.4
Deduction and Adjustment during the year	-	-	-	-	-
At March 31, 2014	62.4	167.8	9.2	239.1	478.5
Charge for the year	2.0	25.2	-	83.2	110.4
Deduction and Adjustment during the year	-	-	-	-	-
At March 31, 2015	64.4	193.0	9.2	322.3	588.9
Net Block					
At March 31, 2014	5.1	54.9	-	248.6	308.6
At March 31, 2015	3.1	30.4	-	165.4	198.9
Capital work-in-progress					
At March 31, 2014					123.6
At March 31, 2015					122.9

Notes :

1. During the year ended March 31, 2015, the Company has revalued freehold land and building at the fair values determined by an independent external valuer. The valuer determined the fair value by reference to market-based evidence, i.e., values are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.
2. Plant & Machinery includes Plant & Machinery amounting to Rs.2.7 million (Previous year Rs.2.9 million) (net block) lying with third parties.

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015		As at March 31, 2014	
12. Non Current Investments				
Trade - Unquoted (valued as 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 (formerly Best On Health Limited) (Refer note no. 54)	3,385.6		3,385.6	
b) 3,900,601 (Previous year 3,765,701) equity shares of Rs.10 each, fully paid up (Previous year Rs.10) in NewRise Healthcare Private Limited (Formerly Umkal Medical Institute Private Limited)	497.8		293.4	
c) Share application money pending allotment paid to subsidiary company (NewRise Healthcare Private Limited (formerly Umkal Medical Institute Private Limited))	-		200.3	
d) 2 (Previous year 2) equity shares of € 12,500 each, fully paid up in Panacea Biotec GmbH*	1.6		1.6	
Less: provision for other than temporary diminution in the value of investments	(1.6)		(1.6)	
e) 1,000 (Previous year 1,000) equity shares of US $ 0.01 each, fully paid up in Rees Investments Limited	0.0		0.0	
f) 6,000 (Previous year 6,000) equity shares of CHF 100 each, fully paid up in Panacea Biotec (International) S.A. Switzerland.	34.4	3,917.8	34.4	3,913.7
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*	23.0		23.0	
b) 90,000 (Previous year 65,000) equity shares of Rs.10 each, fully paid up in Adveta Power Private Limited	0.9	23.9	0.9	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)				
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 nil) equity shares of Rs.10 each fully paid up in Mohali Green Environment Private Limited	0.5	0.7	-	0.2
		3,946.6		3,942.0
Aggregate amount of unquoted investments		3,946.6		3,942.0

* Under liquidation process

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

		Non-current as at		Current as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
13. Loans and Advances					
Capital advances (Unsecured, considered good) (refer note 50)	(a)	188.9	189.7	-	-
Security deposits (Unsecured, considered good)	(b)	34.6	29.1	-	-
Loans and advances to related parties (refer note 32)					
Unsecured, considered doubtful					
Loans		678.8	630.1	-	-
		678.8	630.1	-	-
Less: Provision for doubtful loans and advances (refer note 49)		(678.8)	(630.1)	-	-
	(c)	-	-	-	-
Advances recoverable in cash or in kind					
Unsecured, considered good		-	-	221.8	39.9
Unsecured, considered doubtful		-	-	30.3	35.3
		-	-	252.1	75.2
Less : Provision for doubtful advances		-	-	(30.3)	(35.3)
	(d)	-	-	221.8	39.9
Other loan and advances					
Unsecured, considered good					
Balance with excise, custom etc.		99.5	81.8	-	-
Prepaid expenses		9.9	-	26.9	41.5
Staff loans and advances		-	-	15.5	20.6
Advance income tax (Net of provision of Rs.1,687.4 million (Previous year Rs.1,687.4 million)) (refer note 28 (i)(a))		260.3	236.3	-	-
MAT credit entitlement (refer Note 52)		333.6	352.5	-	-
Unsecured, considered doubtful					
Staff loans and advances		-	-	-	4.2
		703.3	670.6	42.4	66.3
Less : Provision for doubtful advances		-	-	-	(4.2)
	(e)	703.3	670.6	42.4	62.1
Total (a)+(b)+(c)+(d)+(e)		926.8	889.4	264.2	102.0
14. Trade Receivables					
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good				251.1	71.0
Unsecured, considered doubtful				210.0	232.7
				461.1	303.7
Less : Provision for doubtful receivables				(210.0)	(232.7)
	(a)			251.1	71.0
Other receivables					
Unsecured, considered good				753.2	834.8
Unsecured, considered doubtful				-	51.7
				753.2	886.5
Less : Provision for doubtful receivables				-	(51.7)
	(b)			753.2	834.8
	Total (a)+(b)			1,004.3	905.8
15. Inventories (valued at lower of cost and net realizable value)					
Raw materials (including packing materials)				525.5	623.3
Work in progress				433.6	646.1
Finished goods				280.6	331.0
Traded goods				37.1	38.1
Stores and spares				132.1	129.1
				1,409.0	1,767.6

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

	Non-current as at		Current as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
16. Cash and Bank Balances				
Cash and cash equivalents				
Balances with banks in:				
Current accounts	-	-	122.0	92.7
Unpaid dividend accounts*	-	-	0.4	0.6
Exchange earner foreign currency accounts	-	-	18.1	0.7
Cash on hand	-	-	0.8	1.0
(a)	-	-	141.3	95.0
Other Bank Balances**				
Deposits with original maturity for more than 12 months	0.6	1.8	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	282.4	1.8
(b)	0.6	1.8	282.4	1.8
Amount disclosed under "Note 17. Other assets"	(0.6)	(1.8)	-	-
Total (a)+(b)	-	-	423.7	96.8

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

**Fixed deposits amounting to Rs.3.6 million (Previous year Rs.2.12 million) are pledged with banks and various Government authorities for tender, bank guarantee, margin money etc.

17. Other Assets				
Unsecured, considered good unless stated otherwise				
Export benefits receivable	-	-	47.2	38.9
Interest accrued on deposits	-	-	3.3	-
Non current bank balances (refer note 16)	0.6	1.8	-	-
	0.6	1.8	50.5	38.9

(Rs. in million)

	For the year ended March 31, 2015	For the year ended March 31, 2014
18. Revenue From Operations		
Sales of products		
Finished goods	5,887.2	4,109.5
Traded goods	494.0	526.1
Sale of services		
Contract manufacturing	55.1	42.4
Other operating revenue		
Export benefits	67.8	41.7
Research and license fees	240.0	178.2
Royalty	49.2	81.1
Scrap sale	2.8	3.3
	6,796.1	4,982.3
Less: Excise Duty paid on sales	4.1	6.6
Revenue from Operations	6,792.0	4,975.7
Details of product sold		
Finished goods		
Formulations	3,304.8	2,831.0
Vaccines	2,581.8	1,278.5
Research and development	0.6	-
	5,887.2	4,109.5
Traded goods		
Formulations	494.0	526.1
	494.0	526.1

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
19. Other Income				
Interest income on				
Banks deposits		18.7		0.2
Loans given to subsidiaries		48.7		94.0
Income tax refund		12.8		-
Others		1.4		1.3
Dividend income on:				
Investments in joint venture		0.0		-
Net gain on sale of non current investments		-		8.3
Excess provision written back		165.1		5.4
Lease rent		25.7		54.6
Miscellaneous		8.1		7.2
		280.5		171.0
20. Cost of Raw and Packing Material Consumed				
Inventory at the beginning of the year	623.3		1,190.7	
Add : Purchases during the year	2,316.4		1,398.4	
	2,939.7		2,589.1	
Less : Inventory at the end of the year	525.5		623.3	
Raw and packing material consumed		2,414.2		1,965.8
Details of raw and packing materials consumed				
Formulations				
Active pharmaceutical ingredients		538.5		517.7
Excipients		130.1		71.7
Packing materials		120.0		106.3
		788.6		695.7
Vaccines				
Bulk vaccine/Antigens		1,367.6		1,152.8
Excipients		44.4		28.4
Packing materials		213.6		88.9
		1,625.6		1,270.1
		2,414.2		1,965.8
Details of inventory				
Formulations				
Active pharmaceutical ingredients		124.0		66.5
Excipients		71.9		70.7
Packing materials		55.6		50.9
		251.5		188.1
Vaccines				
Bulk and Antigens		221.6		375.9
Excipients		1.3		1.4
Packing materials		51.1		57.9
		274.0		435.2
		525.5		623.3

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014	(Increase)/Decrease
21. (Increase)/Decrease in Inventories			
Inventories at the end of the year			
Finished goods	280.6	331.0	50.4
Traded goods	37.1	38.1	1.0
Work in progress	433.6	646.1	212.5
	751.3	1,015.2	263.9
Inventories at the beginning of the year			
Finished goods	331.0	723.4	392.4
Traded goods	38.1	51.1	13.0
Work in progress	646.1	131.8	(514.3)
	1,015.2	906.3	(108.9)
(Increase)/Decrease in inventories	263.9	(108.9)	
Detail of purchase of traded goods			
Formulations	207.9	223.9	
Detail of inventory			
Finished goods			
Formulations	78.8	137.2	
Vaccines	201.8	193.8	
	280.6	331.0	
Traded goods			
Formulations			
	37.1	38.1	
Work in progress	37.1	38.1	
Formulations	68.1	54.1	
Vaccines	365.5	592.0	
	433.6	646.1	

(Rs. in million)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
22. Employee Benefits Expense				
Salary, wages and bonus		1,169.2		1,295.8
Contractual wages		46.6		41.7
Contribution to provident and other funds (Refer note 43)		42.0		36.8
Staff welfare expenses		53.3		53.0
Gratuity expense (Refer note 43)		21.2		-
		1,332.3		1,427.3
23. Other Expenses				
Contract manufacturing (including a prior period expenses of Rs.Nil (Previous year Rs.7.4 million))		89.2		143.9
Analytical testing and trial		42.1		71.2
Consumption of stores and spares		166.4		176.8
Power and fuel		298.9		317.3
Repair and maintenance :				
Buildings	19.0		12.9	
Plant and machinery	29.2		35.8	
Others	39.0	87.2	33.8	82.5
Rent		56.6		67.3
Royalty		22.5		19.2
Directors' sitting fees		0.8		0.3
Printing and stationery		12.3		13.2
Postage and communication		44.2		52.3
Insurance		37.6		41.8
Travelling and conveyance		123.0		143.5
Payment to auditors*		5.1		6.5
Legal and professional**		139.4		153.3
Vehicle running and maintenance		30.5		31.9
Rates and taxes		28.5		50.9

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Donation	-	0.0
Subscription	13.1	14.6
Staff training and recruitment	19.3	10.1
Bad debts and advances written off	0.0	0.5
Loss on sale/discard of fixed assets (net)	1.3	97.6
Wealth tax	5.0	5.0
Provision for doubtful debts and advances	48.7	297.1
Provision for investment	-	1.6
Exchange difference (net)	82.1	44.8
Advertising and sales promotion	255.4	303.2
Meetings and conferences	26.1	38.9
Freight and forwarding	111.1	78.1
Commission on sales (other than sole selling agents) (including a prior period expenses of Rs.Nil (Previous year Rs.3.8 million))	74.9	79.0
Miscellaneous (including a prior period expenses of Rs.Nil (Previous years Rs.8.2 million))	77.2	102.1
	1,898.5	2,444.5
*Payment to auditors		
As auditor		
- Audit fee	2.1	3.6
- Limited reviews fee#	2.2	2.0
In other capacity		
- Management services	-	0.1
- Certification services#	0.3	0.3
- Reimbursement of expenses	0.5	0.5
Total	5.1	6.5
# Includes an amount of Rs.0.5 million, Rs.0.7 million and Rs.0.2 million paid to predecessor auditor for audit fees, limited review and certification services, respectively.		
** includes following:		
Tax audit fee	0.2	0.2
Cost audit fee	0.1	0.1
24. Finance Costs		
Interest expenses	856.4	1,423.8
Bank charges	63.2	34.1
Exchange differences to the extent considered as an adjustment to borrowing cost	12.1	22.6
	931.7	1,480.5
25. Depreciation and amortisation expense		
Depreciation of tangible assets	547.0	643.1
Amortisation of intangible assets	110.4	113.4
	657.4	756.5
Less : recoupment from revaluation reserve (refer note 2.1(a))	-	(68.5)
	657.4	688.0
26. Exceptional items		
Gain on conversion of preference shares	-	1,199.3
Surplus on account of change in depreciation method (refer note 2.1(a))	-	1,770.9
	-	2,970.2
27. Earning Per Share		
Profit/(Loss) for the year	(652.3)	(4.2)
Weighted average number of equity shares in calculating basic and diluted earning per share	61,250,746	61,250,746
Basic earnings per share (in Rs.)	(10.65)	(0.07)
Diluted earnings per share (in Rs.)	(10.65)	(0.07)
Nominal value per share (in Re.)	1.00	1.00

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

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

(Rs. in million)

Particulars	As at March 31 , 2015	As at March 31 , 2014
Disputed demands/show-cause notices under:-		
a) Income tax cases (refer note (a) below)	3,457.1	167.0
b) Customs duty cases (refer note (b) below)	4.0	4.0
c) Central excise duty cases (refer note (c) below)	-	6.6
d) Service tax (refer note (d) below)	72.6	72.6
Total	3,533.7	250.2
Bank guarantee	39.6	99.8
Labour cases (in view of large number of cases, it is impracticable to disclose each case)	1.3	1.5

Notes:

a) i) Includes income tax demand of Rs.162.2 million in respect to AY 2005-06. Income tax department raised demand based on certain ground related with purchase made by the Company from an overseas party. Out of total demand of Rs.162.2 million, Rs.96.6 million has been set off by the tax authorities from the refund due to the Company from the department pertaining to various years .The matters related to Income Tax demand are still pending with CIT (Appeals). The Company believes that it has merit in these cases, hence no provision is required.

ii) A search operation was conducted by Income Tax department in the premises of the Company in January, 2012 and hence Company has filed the income tax return for the Assessment Year 2006-07 to Assessment year 2012-13.The Income Tax department has completed the Income Tax assessment and disallowed certain expenses and raised the income tax demand of Rs.3,294.9 million (including interest) has been raised on various grounds. The Company has preferred appeals before the CIT (Appeals) towards the order of Income Tax department and based on the legal opinion the Company is hopeful that the Income Tax demand shall be deleted in appeal.

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

c) In respect of central excise duty demand, the Assessing Officer levied excise duty on common inputs used in manufacture of exempted and taxable products. During the year, the matter has been decided in favour of the Company by the Hon'ble Customs, Excise and Service Tax Appellate Tribunal.

d) In respect of service tax demand for FY 2003-04 to FY 2011-12, the Assessing Officer levied service tax on foreign services rendered & delivered outside India by the Company & certain others services on which there was no liability to pay service tax. 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) has been 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 opinion, no adjustment in respect of the expired stock and the interest amount has been made in the financial statements.

29. Capital & 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 , 2015	As at March 31 , 2014
Fixed Assets	115.4	127.8

b) Other commitments :

i) Export commitments of Rs.717.85 million (Previous year Rs.2,332.2 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 Sciences & 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 has executed an agreement with other shareholders of its subsidiary Company, namely NewRise Healthcare Private Limited (formerly Umkal Medical Institute Private Limited) to acquire the remaining stake in the subsidiary Company. The Company has already purchased part of these shares during the current year at an aggregate value of Rs.4.06 million (previous year Rs.11.4 million). As per the terms of the agreement, the Company is required to pay further amount of Rs.89.54 million (previous year Rs.93.6 million) towards purchase of balance shares and post such purchase of shares, the subsidiary Company will become a wholly owned subsidiary company.

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

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

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, 2015**		As at March 31, 2014	
	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	44.7	5.8	35.6	-
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	62.3	5.4	27.7	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	-	11.0	-	-
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.	-	5.2	-	-

31. Details of loans and advances to subsidiaries, associates and companies in which directors are interested (as required by clause 32 of listing agreement):

(Rs. in million)

Particulars	**As at March 31 , 2015**	As at March 31 , 2014
a) Loans to wholly owned subsidiaries		
i) Rees Investments Limited	678.8	630.1
Maximum amount due at any time during the year	678.8	630.1
Accrued interest receivable on loan*	-	-
b) Provision for doubtful advances on above loan and interest receivable	678.8	630.1

*Interest accrued as at year end has been transferred to loan balance.

32. Related Party Disclosures

A. Names of related parties and related party relationships

i) Parties where control exists

Subsidiaries
- Radhika Heights Limited ("RHL") (formerly Best On Health Limited) (Wholly-owned subsidiary ("WOS"))
- Radicura Infra Limited (formerly Radicura & Co. Limited). ((Indirect WOS ("IWOS") through RHL),
- Nirmala Buildwell Private Limited (formerly Panacea Hospitality Services Private Limited). (IWOS through RHL)
- Cabana Construction Private Limited (formerly Panacea Educational Institute Private Limited). (IWOS through RHL)
- Sunanda Infra Limited (formerly Sunanda Steel Company Limited). (IWOS through RHL)
- Nirmala Organic Farms & Resorts Private Limited (IWOS through RHL)
- Cabana Structures Limited (formerly Best On Health Foods Limited). (IWOS through RHL)
- Rees Investments Limited ("Rees") (Guernsey): (WOS)
- Kelisia Holdings Limited ("KHL") (Cyprus) (IWOS through Rees)
- Kelisia Investment Holding AG ("KIH") (Switzerland) (IWOS through KHL) (liquidated on October 7, 2014)
- Panacea Biotec (International) SA ("PBS") (Switzerland) (WOS)
- Panacea Biotec Germany GmbH (Germany) (IWOS through PBS)
- Panacea Biotec GmbH (Germany) (WOS) (under liquidation)
- Panacea Biotec FZE, (UAE) (WOS) (liquidated on June 18, 2013)
- NewRise Healthcare Private Limited (Formerly Umkal Medical Institute Private Limited): (Subsidiary)

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

a) Joint Ventures
- Chiron Panacea Vaccines Private Limited (Under liquidation)
- Adveta Power Private Limited,

b) Associates
- PanEra Biotec Private Limited

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. Vinod Goel - Group CFO and Head Legal & Company Secretary
- Mr. Partha Sarthe De - Chief Financial Officer (Upto November 30, 2014)
- Mr. Devender Gupta - Chief Financial Officer & Head Information Technology (w.e.f. May 29, 2015)

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(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. Nirmala Jain, Wife of Mr. Soshil Kumar Jain
- Mrs. Sunanda Jain, Wife of Mr. Ravinder Jain
- Mrs. Meena Jain, Wife of Dr. Rajesh Jain
- Mrs. Radhika Jain, Daughter of Mr. Ravinder Jain
- Mrs. Shilpy Jain, Wife of Mr. Sumit Jain
- Mr. Ankesh Jain, Son of Dr. Rajesh 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
- Lakshmi & Manager Holdings Limited ("LMH") and its subsidiaries, Trinidhi Finance Private Limited and Best General Insurance company Limited
- First Lucre Partnership Co. (holding shares in the Company)

B. Detail of transactions with subsidiaries, associates and joint ventures companies:

(Rs. in million)

S. No.	Particulars	Subsidiary		Associate		Joint Ventures	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
I)	Transaction made during the year						
1	Purchase of raw materials						
	PanEra Biotec Private Limited	-	-	157.6	399.6	-	-
2	Sale						
	PanEra Biotec Private Limited	-	-	0.1	8.9	-	-
	Panacea Biotec Germany GmbH	20.3	41.5	-	-	-	-
3	Contract manufacturing charges paid						
	PanEra Biotec Private Limited	-	-	-	37.7	-	-
4	Recovery of expenses						
	PanEra Biotec Private Limited	-	-	41.1	78.2	-	-
	New Rise Healthcare Private Limited	-	2.8	-	-	-	-
5	Reimbursement of expenses						
	Radhika Heights Limited	-	3.0	-	-	-	-
	Panacea Biotec Germany GmbH	19.4	31.5	-	-	-	-
6	Rent paid						
	Radhika Heights Limited	7.9	7.9	-	-	-	-
7	Rent received						
	PanEra Biotec Private Limited	-	-	26.2	52.3	-	-
	New Rise Healthcare Private Limited	0.1	0.1	-	-	-	-
	Radhika Heights Limited	0.5	0.4	-	-	-	-
	Chiron Panacea Vaccines Private Limited	-	-	-	-	0.4	0.2
8	Receipt back of loan / advance given						
	Rees Investments Limited	-	159.3	-	-	-	-
9	Loan/advance received						
	Radhika Heights Limited	2.0	89.0	-	-	-	-
10	Repayment of loan/advance received						
	Radhika Heights Limited	50.0	-	-	-	-	-
11	Interest Income						
	Rees Investments Limited	48.7	94.1	-	-	-	-
12	Interest expenses on loans						
	Radhika Heights Limited	28.9	26.3	-	-	-	-
13	Dividend received						
	Chiron Panacea Vaccines Private Limited	-	-	-	-	-	0.0
	Radhika Heights Limited	0.0	0.0	-	-	-	-
14	Subscription of Shares						
	Radhika Heights Limited (equity shares on conversion of preference shares)	-	3,362.8	-	-	-	-
	NewRise Healthcare Private Limited	200.3	11.4	-	-	-	-
	Adveta Power Private Limited	-	-	-	-	-	0.3

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

S. No.	Particulars	Subsidiary		Associate		Joint Ventures	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
15	Conversion of preference shares						
	Radhika Heights Limited	-	2,163.5	-	-	-	-
16	Liquidation of Investment						
	Panacea Biotec FZE	-	5.5	-	-	-	-
17	Share application money given						
	NewRise Healthcare Private Limited	-	135.3	-	-	-	-
18	Gain on conversion of Preference shares						
	Radhika Heights Limited	-	1,199.3	-	-	-	-
II)	Year end balances						
1	Investments [Refer note 12]						
	Radhika Heights Limited(equity share)	3,385.6	3,385.6	-	-	-	-
	Rees Investments Limited	0.0	0.0	-	-	-	-
	Panacea Biotec GmbH*	1.6	1.6	-	-	-	-
	NewRise Healthcare Private Limited	497.8	293.4	-	-	-	-
	Chiron Panacea Vaccines Private Limited	-	-	-	-	23.0	23.0
	PanEra Biotec Private Limited	-	-	4.2	4.2	-	-
	Adveta Power Private Limited	-	-	-	-	0.9	0.9
	Panacea Biotec (International) S.A. Switzerland	34.4	34.4	-	-	-	-
2	Outstanding loan receivable						
	Rees Investments Limited	630.1	536.0	-	-	-	-
3	Outstanding loan payable						
	Radhika Heights Limited	289.4	337.4	-	-	-	-
4	Interest accrued receivable						
	Rees Investments Limited	48.7	94.1	-	-	-	-
5	Interest accrued payable						
	Radhika Heights Limited	33.3	14.5	-	-	-	-
6	Provision for doubtful loans						
	Rees Investments Limited	678.8	630.1	-	-	-	-
7	Outstanding receivable						
	Chiron Panacea Vaccines Private Limited	-	-	-	-	-	0.1
	Panacea Biotec Germany GmbH	77.9	67.7	-	-	-	-
	NewRise Healthcare Private Limited	0.2	-				
8	Outstanding loan and advances						
	PanEra Biotec Private Limited	-	-	114.4	-	-	-
9	Provision for doubtful receivable						
	Panacea Biotec Germany GmbH	48.8	63.1	-	-	-	-
10	Outstanding payable						
	PanEra Biotec Private Limited	-	-	-	173.7	-	-
	Panacea Biotec Germany GmbH	28.5	31.5	-	-	-	-
	Radhika Heights Limited	15.9	8.7	-	-	-	-
11	Share application money pending allotment						
	NewRise Healthcare Private Limited	-	200.3	-	-	-	-

* Provision made for diminution

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

C. Detail of 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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
I)	Transactions made during the year						
1	Remuneration						
	Mr. Soshil Kumar Jain	8.1	8.0	-	-	-	-
	Mr. Ravinder Jain	13.2	12.5	-	-	-	-
	Dr. Rajesh Jain	7.4	7.0	-	-	-	-
	Mr. Sandeep Jain	6.5	6.5	-	-	-	-
	Mr. Sumit Jain	3.6	3.5	-	-	-	-
	Mr. Vinod Goel	3.2	2.7	-	-	-	-
	Mr. Partha Sarathi De	6.4	6.4	-	-	-	-
	Mr. Devender Gupta	-	-	-	-	-	-
	Mr. Ashwani Jain	-	-	3.0	3.0	-	-
	Mr. Shagun Jain	-	-	2.7	3.0	-	-
	Mrs. Shilpy Jain	-	-	0.6	0.7	-	-
	Mrs. Radhika Jain	-	-	1.4	1.4	-	-
	Mr. Ankesh Jain	-	-	0.8	0.3	-	-
	Mr. Harshet Jain	-	-	0.2	-	-	-
2	Fixed Deposit received						
	Dr. Rajesh Jain	-	20.0	-	-	-	-
	Mr. Sandeep Jain	-	20.0	-	-	-	-
	Mrs. Nirmala Jain	-	-	-	33.2	-	-
	Mrs. Sunanda Jain	-	-	-	19.8	-	-
	Mrs. Meena Jain	-	-	-	70.00	-	-
3	Fixed Deposit repaid/adjusted						
	First Lucre Partnership Co.	-	-	-	-	-	337.6
	Dr. Rajesh Jain	20.0	-	-	-	-	-
	Mr. Sandeep Jain	20.0	-	-	-	-	-
	Mrs. Nirmala Jain	-	-	33.2	-	-	-
	Mrs. Sunanda Jain	-	-	-	19.8	-	-
	Mrs. Meena Jain	-	-	60.0	10.0	-	-
4	Interest on Deposit						
	First Lucre Partnership Co.	-	-	-	-	-	0.3
	Dr. Rajesh Jain	1.2	-	-	-	-	-
	Mr. Sandeep Jain	0.9	-	-	-	-	-
	Mrs. Nirmala Jain	-	-	3.0	1.3	-	-
	Mrs. Sunanda Jain	-	-	-	0.4	-	-
	Mrs. Meena Jain	-	-	5.4	2.8	-	-
5	Rent received						
	Neophar Alipro Limited	-	-	-	-	0.2	0.2
	Trinidhi Finance Private Limited	-	-	-	-	0.2	0.2
6	Loan received						
	Mr. Soshil Kumar Jain	-	130.0	-	-	-	-
	Mr. Ravinder Jain	-	80.2	-	-	-	-
	Dr. Rajesh Jain	-	101.0	-	-	-	-
7	Interest Expenses						
	Mr. Soshil Kumar Jain	12.6	14.6	-	-	-	-
	Mr. Ravinder Jain	1.1	7.2	-	-	-	-
	Dr. Rajesh Jain	8.5	10.2	-	-	-	-
	Mr. Sandeep Jain	1.4	1.8	-	-	-	-
	Trinidhi Finance Private Limited	-	-	-	-	0.2	0.1

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
8	Loan repaid/adjusted						
	Mr. Soshil Kumar Jain	53.3	20.0	-	-	-	-
	Mr. Ravinder Jain	-	104.0	-	-	-	-
	Dr. Rajesh Jain	58.3	11.0	-	-	-	-
	Mr. Sandeep Jain	18.0	-	-	-	-	-
9	Sale of investment-equity shares of LMH						
	Mr. Ravinder Jain	-	104.0	-	-	-	-
	Mrs. Sunanda Jain	-	-	-	19.8	-	-
10	Interest reversal on fixed deposit						
	First lucre partnership Co.	-	-	-	-	-	4.4
II)	Year end balances						
1	Outstanding fixed deposits						
	Dr. Rajesh Jain	-	20.0	-	-	-	-
	Mr. Sandeep Jain	-	20.0	-	-	-	-
	Mrs. Nirmla Jain	-	-	-	33.2		
	Mrs. Meena jain	-	-	-	60.0		
2	Interest Payable						
	Mrs. Nirmala Jain	-	-	-	1.4	-	-
	Mrs. Sunanda Jain	-	-	-	0.4	-	-
	Mrs. Meena Jain	-	-	-	2.4	-	-
3	Loan payable						
	Mr. Soshil Kumar Jain	95.2	148.5	-	-	-	-
	Mr. Ravinder Jain	12.7	12.7	-	-	-	-
	Dr. Rajesh Jain	49.7	108.0	-	-	-	-
	Mr. Sandeep Jain	-	18.0	-	-	-	-
	Trinidhi Finance Private Limited	-	-	-	-	3.1	3.1
4	Interest payable						
	Mr. Soshil Kumar Jain	1.8	7.5	-	-	-	-
	Mr. Ravinder Jain	4.7	4.7	-	-	-	-
	Dr. Rajesh Jain	0.9	4.9	-	-	-	-
	Mr. Sandeep Jain	-	1.8	-	-	-	-
	Trinidhi Finance Private Limited	-	-	-	-	0.3	0.1
5	Outstanding receivable						
	Trinidhi Finance Private Limited	-	-	-	-	0.2	-

Note: In respect of personal guarantees given by Promoters-Directors refer note 5 (Long term borrowings) and 9 (Short term borrowings).

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

33. Particulars of Un-hedged Foreign Currency Exposure as at Balance Sheet date

Particulars	Currency	As at March 31, 2015 Foreign Currency	Closing Exchange Rate*	As at March 31, 2015 Rs. in million	As at March 31, 2014 Foreign Currency	Closing Exchange Rate*	As at March 31, 2014 Rs. in million
Foreign trade payable	USD	3,749,656	62.50	234.4	2,148,402	59.90	128.7
	Euro	2,341,721	67.19	157.3	1,659,554	82.29	136.6
	CHF	16,870	64.29	1.1	-	-	-
	GBP	9,063	92.43	0.8	9,063	99.56	0.9
	JPY/100	27,228	53.13	1.4	37,035	58.50	2.2
	SEK	16,820	7.25	0.1	16,820	9.20	0.2
	CAD	6,828	49.08	0.3	6,828	54.15	0.4
	KZT	6,886,660	0.35	2.4	3,963,450	0.34	1.3
	THB	5,547	1.93	0.0	745,867	1.84	1.4
Foreign trade receivable	Euro	5,708,435	67.18	383.5	5,209,273	82.28	428.6
	USD	5,993,315	62.49	374.5	7,785,047	59.89	466.2
Foreign currency loans	USD	33,455,572	62.50	2,091.0	26,624,566	59.90	1594.8
	Euro	222,070	67.19	14.9	1,805,558	82.29	148.6
	CHF	-	-	-	22,097	67.53	1.5
Balance with banks	USD	142,288	62.49	8.9	28,737	59.89	1.7
	Euro	130,629	67.18	8.8	677	82.28	0.1
	KZT	220,147	0.34	0.1	273,895	0.33	0.1
	RUB	401,296	1.07	0.4	245,135	1.67	0.4
Investment in Subsidiaries	USD	10	47.62	0.0	10	47.62	0.0
	Euro	25,000	63.29	1.6	25,000	63.29	1.6
	USD	632,911	54.29	34.4	632,911	54.29	34.4
Loan to subsidiaries	USD	13,352,771	47.19	630.1	12,636,797	46.43	586.8
Interest receivable	USD	779,425	62.49	48.7	715,974	59.89	42.9
Interest accrued but not due	USD	673,530	62.50	42.0	8,781	59.90	0.5
	Euro	2,117	67.19	0.1	11,237	82.29	0.9
	CHF				270	67.53	0.0

* 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. The operating businesses are organized 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 Branded Pharmaceutical Formulations. The Company has products for various segments, which include pediatric vaccines, pain management, diabetes management and organ transplantation.

A. Information about Primary Segments

(Rs. in million)

Particulars	Vaccines		Formulations		Research & Development		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Revenue								
Segment revenue	2,763.0	1,279.5	3,790.7	3,523.2	238.3	173.0	6,792.0	4,975.7
Other income	15.3	55.1	101.7	6.9	3.5	1.8	120.5	63.8
Total	2,778.3	1,334.6	3,892.4	3,530.1	241.8	174.8	6,912.5	5,039.5
Segment result	36.4	200.1	1,166.2	1,083.4	(399.7)	(475.2)	802.9	808.3
Unallocated corporate expenses							664.7	676.2
Operating (loss)/profit							138.2	132.1
Less: Interest & finance charges							931.7	1,480.5
Add: Unallocated exceptional items gain/(loss)							-	1,237.0
Add: Other income							160.0	107.2
Less: Income taxes							18.9	-
Net (loss)/profit							(652.3)	(4.2)

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

(Rs. in million)

Other Information	As at		As at		As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Segment assets	6,335.9	6,614.3	3,853.4	3,860.7	2,281.2	2,215.5	12,470.6	12,690.5
Unallocated corporate assets							6,321.7	6,174.1
Total assets	6,335.9	6,614.3	3,853.4	3,860.7	2,281.2	2,215.5	18,792.3	18,864.6
Segment liabilities	496.1	612.2	1,289.2	1,424.6	254.6	272.5	2,039.9	2,309.3
Unallocated corporate liabilities							11,355.3	10,932.4
Total liabilities	496.1	612.2	1,289.2	1,424.6	254.6	272.5	13,395.2	13,241.7
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital expenditure on:								
Tangible assets	21.4	19.8	8.9	26.8	13.4	2.9	43.6	49.5
Intangible assets	-	16.8	0.0	-	1.1	113.4	1.1	130.2
Depreciation expense*	278.6	297.2	140.2	151.5	100.0	96.5	518.8	545.2
Amortization expense	-	-	0.1	0.1	87.9	91.7	88.0	91.8

* Note: Excluding unallocated depreciation and the impact of surplus on account of depreciation due to change in accounting policy in year 2013-14.

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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Vaccines	1,384.5	634.1	1,378.5	645.4
Formulations	2,872.7	2,724.1	918.0	799.1
Research and Development	15.6	0.1	222.7	172.9
Total	4,272.8	3358.3	2,519.2	1,617.4

b) Trade receivables as per Geographical Markets

(Rs. in million)

Segment	Domestic		Overseas	
	As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Vaccines	101.7	1.2	129.7	265.8
Formulations	290.7	244.1	472.8	394.7
Unallocated	4.2	-	5.2	
Total	396.6	245.3	607.7	660.5

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

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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015*	March 31, 2014*
Building	336.5	336.0	68.2	59.0	9.2	(67.3)
Furniture and fixture	30.3	30.2	20.3	18.1	2.2	(0.5)
Office equipment	14.8	14.6	13.5	13.0	0.5	3.8
Plant & machinery	2,008.8	2,011.0	775.3	661.5	115.3	(273.9)
Computer equipment	10.1	10.1	9.6	9.4	0.1	1.0
Total	2,400.5	2,401.9	886.9	761.0	127.3	(336.9)

*Includes the impact of write-back of depreciation on account of change in the depreciation accounting method from written down value method to straight line method during previous year. (Refer note 2.1(a))

The total of Minimum Future Lease Payments under non-cancellable operating lease for various periods for assets stated above is as follows:

(Rs. in million)

Particulars	As at March 31, 2015*	As at March 31, 2014*
a) Receivable within 1 year	264.1	132.3
b) Later than 1 year but not later than 5 years	-	-
c) Later than 5 years	-	-

* The Lease term for the assets given on lease vide Agreement for providing Manufacturing Facility, Utilities and Services of Employees with PanEra Biotec Private Limited As per the said Agreement, during the period of usage, if any facility is used for manufacture of the Company's Vaccines other than those mentioned therein or the facility remains idle due to insufficiency of orders from the Company, no lease rental shall be payable by PanEra Biotec Private Limited for that relevant period.

ii. For assets taken under 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 is 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.56.6 million (Previous year Rs.67.3 million).

c) Total of future minimum lease payments under non-cancellable operating leases:

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
a) Payable within 1 year	0.6	7.7
b) Later than 1 year but not later than 5 years	-	0.6
c) Later than 5 years	-	-

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

(Rs. in million)

S. No.	Name of the Company	Nature of relationship	Country of Incorporation	(%) Holding as on March 31, 2015	(%) Holding as on March 31, 2014
1.	Adveta Power Private Limited	Joint venture	India	50	50
2.	Chiron Panacea Vaccines Private Limited (under liquidation)	Joint venture	India	50	50

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, 2015	As at March 31, 2014
Current assets		
Cash and cash equivalents	40.9	37.9
Short term loans and advances	5.8	7.2
Other current assets	1.6	1.3
Non-current assets		
Capital work-in-progress	12.3	12.2
Intangible assets under development	0.0	0.0
Current liabilities		
Trade payables	-	0.0
Other current liabilities	0.5	0.3
Short- term provisions	0.7	1.3

(Rs. in million)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue	3.9	3.9
Employee benefits expense	0.5	0.7
Other expenses	0.7	0.7

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 (under liquidation), whereby the Joint Venture partners have desired and mutually agreed to an early termination of the Joint Venture Agreement. As per the dissolution agreement, the joint venture between both the partners has been terminated w.e.f. January 31, 2013. The liquidation proceedings of the Joint Venture Company have already commenced and are in progress as on March 31, 2015.

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.

Summary of significant accounting policies and other explanatory information

to the financial statements for the year ended March 31, 2015

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, 2015	For the year ended March 31, 2014
Revenue expenditures		
Material consumption	9.7	4.8
Employee benefits expense	186.7	215.1
Other expenses	257.3	552.6
Depreciation and amortization expense	187.9	188.1
Capital expenditure	14.5	116.3
Income		
Surplus on change in Accounting policy (Depreciation method (refer note 2.1(a))	-	310.6

38. Value of Imports on CIF basis (on accrual basis) (Rs. in million)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw materials and packing materials	1,351.6	438.2
Components and spare parts	40.5	51.9
Capital goods	7.2	34.7

39. Expenditure in Foreign Currency (on accrual basis)

Know-how fees	20.6	18.8
Interest	83.1	89.6
Legal and professional fees	55.2	73.5
Other Expenses		
- Patents, trademarks and product registration	6.9	7.4
- Advertising and sales promotion	37.6	36.6
- Commission on sales	5.8	28.2
- Processing charges	-	50.4
- Others	64.8	112.7

40. Earnings in Foreign Currency (on accrual basis) (Rs. in million)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
F.O.B. value of exports	2,125.1	1,263.8
Income from distribution rights	2.3	2.3
Research and license fees	222.8	178.5
Interest income from subsidiary company	48.7	94.6

41. Value of imported/indigenous raw materials and packing materials consumed (Rs. in million)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Amount	% age	Amount	% age
Indigenous	1,048.4	43.4	926.1	47.1
Imported	1,365.8	56.6	1,039.7	52.9
Total	2,414.2	100.0	1,965.8	100.0

42. Value of imported/indigenous stores and spares consumed (Rs. in million)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Amount	% age	Amount	% age
Indigenous	152.8	91.8	145.1	82.1
Imported	13.6	8.2	31.7	17.9
Total	166.4	100.0	176.8	100.0

43. Employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure 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.

Summary of significant accounting policies and other explanatory information
to the financial statements for the year ended March 31, 2015

Statement of profit and loss

(Rs. in million)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Current service cost	13.3	19.7
Past service cost	-	-
Interest cost on benefit obligation	9.8	10.3
Expected return on plan assets	(8.6)	(8.9)
Net actuarial (gain)/loss recognised in the year on account of return on plan assets	5.1	(28.0)
Net benefit expense/(income)	19.7	(6.9)
Actual return on plan assets	(8.0)	(8.4)

Details of Provision for Gratuity

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	127.7	115.3
Fair value of plan assets	92.3	95.0
Net obligation - unfunded	(35.4)	20.2

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

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	115.3	128.2
Interest cost	9.8	10.3
Past service cost	-	-
Current service cost	13.3	19.7
Benefits paid	(15.3)	(14.4)
Actuarial (Gain)/losses on obligation	4.6	(28.5)
Closing defined benefit obligation	127.7	115.3

Changes in the fair value of plan assets for gratuity are as follows:

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Opening fair value of plan assets	95.0	100.8
Expected return	8.6	8.9
Contributions by employer	4.6	0.2
Benefits paid	(15.3)	(14.4)
Actuarial Gain /(losses)	(0.5)	(0.5)
Closing fair value of plan assets	92.3	95.0

The key categories of plan assets as a percentage of the fair value of total plan assets for gratuity are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
	%	%
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, 2015	As at March 31, 2014
	%	%
Discount rate	8.0	8.5
Expected rate of return on plan assets	9.0	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, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	127.7	115.3	128.2	136.2	126.9
Plan assets	92.3	95.0	100.8	100.1	83.7
Deficit	35.4	20.3	27.4	36.1	43.2
Experience adjustments on plan liabilities-(Gain)/Loss	4.6	(28.5)	(21.2)	(9.3)	(10.3)
Experience adjustments on plan assets-(Gain)/Loss	(0.5)	(0.5)	0.4	4.1	(1.0)

Summary of significant accounting policies and other explanatory information

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(Rs. in million)

Defined Contribution Plan	As at March 31, 2015	As at March 31, 2014
Contribution to provident fund and other funds charged to statement of profit and loss	42.0	36.8

The Company expects to contribute Rs.21.6 million (Previous year Rs.19.8 million) to gratuity fund in the next financial year.

44. During the year 2013-14, the Company had paid managerial remuneration of Rs.37.5 million. The amount paid as managerial remuneration has exceeded the limits prescribed under Section 198 and 309 read with Part II of Schedule XIII to the Companies, Act, 1956 by Rs.13.5 million due to unexpected losses during the previous year. Also, during the FY 2012-13 the Company paid managerial remuneration of Rs.37.2 million which exceeded the limits prescribed in aforesaid provisions of the Companies Act by Rs.13.2 million. During the FY 2013-14, the Company had filed applications to obtain approvals from Central Government in respect to excess remuneration paid for FY 13-14 and FY 12-13. Pending outcome of the application filled with the Central Government, no adjustments have been made in the financial statements.

45. During the year ended March 31, 2015, the company has incurred losses of Rs.652.3 million (Previous year: Rs.4.2 million after adjusting exceptional income of Rs.2,970.1 million). Further, the Company's accumulated losses have resulted in erosion of more than fifty percent of its peak net worth calculated as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The continuous losses have also adversely affected the cash flows of the Company. These conditions, read with note 46 below, 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 the risk, which include supply to UNICEF/other customers of pentavalent vaccine; certain strategic alliances with foreign collaborators for supply of vaccines and pharma products including three collaboration agreements signed during the year ended March 31, 2015; Additionally, as explained in note 47 below, the management has successfully executed the MRA with the lenders of the Company. Management is confident that it will be able to comply with all key conditions and successfully implement the MRA. Based on the above measures and continuous efforts to improve the business, 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 have occurred, which are described below, along with interests on borrowings.

Loan particulars	Amount of total installment along with interest	Period of Installment(s)	Status
Loan from Department of Biotechnology	32.4	March 2014 - March 2015	Not yet paid
Loan from Department of Science and Technology	5.3	September 2013 - September 2015	Not yet paid
Loan from Technology Development Board	5.0	January 2014 - January 2015	Not yet paid
State Bank of Travancore-Term Loan	587.3	June 2014 - March 2015	Not yet paid
State Bank of Travancore-Cash Credit	27.2	November 2013 - March 2015	Not yet paid
Loan from Directors	7.4	December 2013 - March 2015	Not yet paid
Loan from Radhika Heights Limited	32.2	January 2014 - March 2015	Not yet paid
Loan from Trinidhi Finance Private Limited	0.4	December 2013 - March 2015	Not yet paid
Loan from Bio-Med Private Limited	2.3	January 2015 - March 2015	Not yet paid
Loan form Radicura Pharmaceuticals Private Limited	1.5	January 2015 - March 2015	Not yet paid

47. During the year, the Company has executed a Corporate Debt Restructuring (CDR) scheme under the CDR mechanism of the Reserve Bank of India ('RBI'). In accordance with the approved CDR scheme and after attaining super-majority with all banks except one, the Company executed a Master Restructuring Agreement (MRA) with the lenders on 27 December 2014, with an effective date of 01 October 2013. The MRA, inter-alia, provides for waiver of certain existing obligations of the Company, restructuring of repayment terms for principal and interest, reduction/ adjustment in interest rates, conversion of outstanding interest amounts to loan, pledge of entire promoter shareholding as additional security to lenders, promoter undertaking for additional infusion of funds, monitoring oversight and certain restrictive covenants, as defined. The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the MRA, to the extent agreed with the banks. However, MRA implementation is subject to reconciliations with certain banks and completion of other terms and conditions.

48. During the year ended March 31, 2015, 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.202.0 million (Previous year Rs.196.8 million) as on March 31, 2015 is included under the head "Reserve and surplus".

49. As at March 31, 2015, an amount of Rs.678.8 million (previous year Rs.630.1 million) including interest of Rs.48.7 million (previous year Rs.94.6 million) is receivable from its wholly owned subsidiary viz. Rees Investment Limited (Rees) Pursuant to the accumulated losses in Rees & its other subsidiaries, the Company assessed that the loan repayment capability of Rees Investments Limited has been

adversely affected. Accordingly, the amount of Rs.678.8 million (Previous year Rs.630.1 million) has been provided for as 'Provision for bad and doubtful advances'.

50. The Company had given an advance of Rs.176.8 million (USD 3.4 million) in financial year 2007-08 pursuant to the agreements for acquiring certain properties from Ilyas & Mustafa Galadari Management Investment & Development L.L.C., U.A.E. (Ilyas). As per the said agreements, the properties were expected to be handed over in financial year 2008-09. However, due to inordinate delays in completion of project, properties could not be delivered to the Company in time. After extensive discussions and negotiations, the Company has entered into new agreements with them, as per which the Company will get 1 commercial unit and 8 residential units (having combined area more than that of properties agreed earlier) for a consideration equivalent to the advance given earlier. The possession of new properties is expected in financial year 2015-16. The Company believes that the market value of the properties is more than the advance given under the earlier agreements; therefore, no adjustment is required to be provided for in respect of the advance.

51. The Company avails CENVAT credit on input and input services used as per the provision of the relevant applicable laws. Balance with excise, custom etc. amounting to Rs.99.5 million under the head Loans & Advances, includes an amount of Rs.58.6 million which relates to accumulated amount of CENVAT Credit availed by the company on input services utilised by it. With the current level of excisable manufacturing activities, the Company utilises lesser amount of CENVAT credit as compared to the amount so accumulated every year of CENVAT credit on such input services. However, as per the provisions of service tax laws, there is no time limit on utilisation of CENVAT Credit availed. Therefore, based on future business plans, the Company is confident that it will be able to fully utilise the accumulated amount of CENVAT Credit so availed by distributing it to its manufacturing units and utilising it in subsequent years.

52. The assets of Rs.333.6 million (Previous year Rs.352.5 million) recognized by the Company as 'MAT Credit Entitlement' under the head 'Loans and advances' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the future profitability projections and other factors disclosed under note 45, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets as per the relevant provisions of the Income Tax Act, 1961. The management is confident that no losses are expected in this regard and accordingly no adjustment is required in the financial statements.

53. The Company has received Research & Development (R&D) fees of Rs.149.9 million and Rs.47.3 million from a customer during quarters ended June 30, 2014 and December 31, 2014, respectively and has accounted for these as income. Such R&D fees are non-refundable subject to certain pre-conditions (as defined in the agreement) being met by the Company. As the product is already available in the domestic market, the Company is reasonably certain of meeting the pre-conditions and therefore believes that the said fees should be accounted for as income.

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.

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

As per our report of even date

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

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Place : New Delhi
Dated : May 30, 2015

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Naresh Chand Gupta
G.M. Accounts & Taxation

Devender Gupta
Chief Financial Officer &
Head Information Technology

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Cash Flow Statement Annexed to Balance Sheet for the Year ended March 31, 2015

(Rs. in million)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
Cash Flow from Operating Activities:				
Loss before tax		(633.5)		(4.2)
Adjustment to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	657.3		688.0	
Provision for doubtful debts and advances	51.4		297.1	
Provision for other than temporary diminution in the value of investment	-		1.6	
Bad debts written off	0.0		0.5	
Loss on sale/discard of fixed assets (net)	1.3		97.7	
Loss on sale of export incentives	1.7		-	
Unrealized foreign exchange loss/(gain) (net)	89.2		39.3	
Liabilities/ provisions no longer required written back	(165.1)		-	
Gratuity expense/(income)	21.2		(5.4)	
Wealth Tax	5.1		-	
Exceptional items				
Gain on conversion of preference shares	-		(1,199.3)	
Surplus on account of change in depreciation method	-		(1,770.9)	
Interest expense	856.4		1,423.8	
Net gain on sale of non-current investment	-		(8.3)	
Interest income	(81.6)		(95.5)	
Dividend income	(0.0)		(0.0)	
		1,436.9		(531.4)
Operating profit before working capital changes		803.4		(535.6)
Movements in working capital				
Decrease/(Increase) in trade receivables	(96.2)		(410.9)	
Decrease/(Increase) in inventories	358.6		479.8	
Decrease/(Increase) in other current assets	(10.0)		(10.0)	
Decrease/(Increase) in short-term loans and advances	(71.2)		(20.3)	
Decrease/(Increase) in long-term loans and advances	(114.9)		170.9	
Increase/(Decrease) in trade-payables	(266.9)		718.5	
Increase/(Decrease) in other current liabilities	(127.9)		141.9	
Increase/(Decrease) in other long term liabilities	(10.3)		(6.4)	
Increase/(Decrease) in short-term provisions	36.5		16.3	
Increase/(Decrease) in long-term provisions	(20.7)		0.4	
		(323.0)		1,080.2
Cash generated from/ (used in) operations		480.4		544.6
Direct taxes paid (net of refunds)		33.0		12.9
Net cash flow from/ (used in) operating activities (A)		447.4		531.7
Cash flow from investing activities				
Purchase of fixed assets, including CWIP and capital advances	(40.6)		(168.4)	
Investments in bank deposits having original maturity of more than three months	(279.3)		(1.6)	
Purchase of non-current investments	(4.6)		(147.0)	
Proceeds from sale of non-current investments	-		123.8	
Proceeds from liquidation of non-current investments	-		5.0	
Proceeds from sale of fixed assets	2.5		3.0	
Proceeds from interest received	29.6		2.2	
Proceeds from dividends received	0.0		0.0	
Net cash flow from/ (used in) investing activities (B)		(292.4)		(183.0)
Cash flow from financing activities				
Proceeds from short-term borrowings - net	863.8		626.0	
Repayment of short term borrowings	(731.2)		(140.1)	
Repayment of long term borrowings	-		(4.0)	
Proceeds from deposits from public	-		188.0	
Repayment of deposits from public	(130.2)		(387.4)	
Proceeds from loan from related party	-		265.2	
Interest paid	(111.1)		(925.5)	
Net cash flow from/ (used in) financing activities (C)		(108.7)		(377.8)
Net increase/ (decrease) in cash & cash equivalents (A+B+C)		46.3		(29.1)
Effect of exchange differences on cash and cash equivalents held in foreign currency		(0.0)		0.2
Cash & cash equivalents at the beginning of the year		95.0		123.9
Cash & cash equivalents at the end of the year		141.3		95.0
Components of cash and cash equivalents				
Cash on hand		0.7		1.0
Balances with banks :				
a) Current accounts		122.0		92.7
b) Unpaid dividend accounts*		0.4		0.6
c) Fixed deposits		282.4		1.8
d) Exchange earner foreign currency current accounts		18.2		0.7
Total cash & cash equivalents (note 16)		423.7		96.8
Less: Fixed deposits not considered as cash equivalents		(282.4)		(1.8)
Cash & cash equivalents in cash flow statement		141.3		95.0

* The company can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

As per our report of even date

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

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Naresh Chand Gupta
G.M. Accounts & Taxation

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Dated : May 30, 2015

Vinod Goel
Group CFO and Head Legal
& Company Secretary

FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Part "A": Subsidiaries

Financial Details of Subsidiary Companies

(Rs. in million)

S. No.	Name of the Company	Reporting period of the subsidiary, if different from parent	Reporting currency	Exchange rate as on Balance sheet date	% of Share Holding	As on March 31, 2015					For the year/ period ended March 31, 2014				
						Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment (except in case of investment in subsidiary)	Turnover (including other income)	Profit/ (Loss) before Tax	Provision for Tax	Profit after Tax	Proposed Dividend
1	Radhika Heights Limited (formerly known as Best On Health Limited).	31.03.2015	INR	1.00	100%	4.78	2,721.5	2,753.6	2,753.6	49.7	38.0	5.1	11.1	(5.9)	-
2	Radicura Infra Limited (formerly known as Radicura & Co. Limited)*	31.03.2015	INR	1.00	100%	1.98	49.0	508.4	508.4	0.1	-	(3.2)	0.4	(2.8)	-
3	Nirmala Buildwell Pvt.Limited (formerly known as Panacea Hospitality Services Private Limited)*	31.03.2015	INR	1.00	100%	0.10	(3.2)	298.7	298.7	-	-	(0.7)	-	(0.7)	-
4	Cabana Construction Pvt.Limited (formerly known as Panacea Educational Institute Private Limited)*	31.03.2015	INR	1.00	100%	0.10	(2.0)	319.5	319.5	-	-	(0.6)	-	(0.6)	-
5	Sunanda Infra Limited (formerly known as Sunanda Steel Co. Limited)*	31.03.2015	INR	1.00	100%	0.50	(0.6)	222.4	222.4	-	48.7	48.4	-	48.4	-
6	Cabana Structures Limited (formerly known as Best on Health Foods Limited)*	31.03.2015	INR	1.00	100%	0.50	(0.3)	0.3	0.3	0.2	0.0	(0.0)	0.0	(0.0)	-
7	Nirmala Organic Farms & Resorts Private Limited*	31.03.2015	INR	1.00	100%	0.10	9.8	102.2	102.2	-	-	(0.1)	-	(0.1)	-
8	NewRise Heathcare Private Limited.(Formerly known as Umkal Medical Institute Private Limited)	31.03.2015	INR	1.00	87.4%	211.07	187.4	1,575.0	1,575.0	-	0.2	(176.6)	0.0	(176.7)	-
9	Panacea Biotec GmbH	31.12.2014	Euro	67.18	100%	1.68	(1.6)	0.1	0.1	-	-	(0.0)	-	(0.0)	-
10	Rees Investments Limited	31.03.2015	US $	62.49	100%	0.00	(868.6)	16.5	16.5	-	(29.1)	(185.2)	-	(185.2)	-
11	Kelisia Holdings Limited**	31.03.2015	Euro	67.18	100%	0.07	(465.3)	49.7	49.7	-	12.8	(147.5)	-	(147.5)	-
12	Kelisia Investment Holdings AG.*** $	31.03.2015	CHF	64.28	100%	-	-	-	-	-	-	(0.6)	0.00	(0.6)	-
13	Panacea Biotec (International) SA	31.03.2015	CHF	64.28	100%	38.57	(113.6)	23.5	23.5	-	26.7	0.8	0.0	0.8	-
14	Panacea Biotec (Germany) GmbH****	31.03.2015	Euro	67.18	100%	16.53	(239.0)	85.5	85.5	-	54.4	(44.2)	(0.00)	(44.2)	-

Part "B" : Associates and Joint Ventures

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Sahares of Associate/Joint Ventures held by the company on the year end			Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year		Description of how there is significant influence	Reason why the associate/Joint venture is not consolidated
			No. of Sahres	Amount of Investment in Associates/Joint Venture	Extend of Holding %		Considered in Consolidation	Not Considered in consolidation		
Joint Venture										
1	Adveta Power Private Limited	31.03.2015	90,000	0.9	50%	24.9	-	-	Note-A	NA
2	Chiron Panacea Vaccines Private Limited (Under Liquidation)	31.03.2015	2,295,910	23.0	50%	918.7	1.4	14.4	Note-A	NA
Associate										
1	PanEra Biotec Private Limited	31.03.2015	419,767	4.2	50%	97.7	(58.1)	(58.1)	Note-A	Consolidate by Equity method

* Indirect subsidiary through Best on Health Limited

*** Indirect subsidiary through Kelisia Holdings SA.

$ Liquidated on October 7, 2014

** Indirect subsidiary through Rees Investment Limited

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

Note : A. There is significant influence due to percentage (%) of Share Capital

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)

Naresh Chand Gupta
G.M. Accounts & Taxation

Devender Gupta
Chief Financial Officer &
Head Information Technology

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Place : New Delhi
Dated : May 30, 2015

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 companies, which comprise the Consolidated Balance Sheet as at March 31, 2015, 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 and its associate and jointly controlled companies, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 of the subsidiaries included in the Group, and of its associate and jointly controlled companies 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 with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary, associate and jointly controlled companies, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which 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 auditor's 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 the 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, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 sub-paragraph 11(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

8. As stated in note 52 to the consolidated financial statements, during the year ended March 31, 2015, the Holding Company had received advance research fees from a customer amounting to Rs. 197.20 million which has been accounted for as income from research and development. In our opinion, the recognition of such advances as income is not consistent with the revenue recognition principles prescribed under the Accounting Standard – 9 (AS-9) 'Revenue Recognition'. Had the Company followed the principles of AS-9 with respect to these amounts, the revenue for the year ended March 31, 2015 would have been lower by Rs.197.20 million and the loss for the year ended March 31, 2015 would have been higher by Rs.197.20 million. Further, the reserves and surplus as at that date would have been lower by Rs.197.20 million and current liabilities as at that date would have been higher by Rs.197.20 million.
9. As stated in Note 53 to the Consolidated Financial Statements, the independent auditors of NewRise Healthcare Private Limited (NHPL) , a subsidiary of the Company and PanEra Biotec Limited, an associate of the Company, have qualified their audit reports on the financial statements of these entities for the year ended March 31, 2015 in respect of trade payables amounting to Rs.142.4 million and outstanding capital advances amounting to Rs.19.5 million which are subject to confirmations/ reconciliations. The consolidated financial statements do not include the impact of adjustments, if any which may arise out of completion of confirmation/ and reconciliation process.
10. We did not audit the financial statements of two foreign subsidiaries, Rees Investments Limited and Kelisia Holding Limited, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs.2.1 Million as at March 31, 2015, total revenues (after eliminating intra-group transactions) of Nil and net cash flows amounting to Rs.1.3 Million for the year ended on that date. These financial statements are not audited and have been furnished to us by the Management and consequently we are unable to comment on adjustments that may have been required to the consolidated financial statements had such financial statements of the aforesaid subsidiaries been audited. Predecessor auditor's opinion on the consolidated financial statements for the previous year ended March 31, 2014 was also qualified in respect of the unaudited financial statements of Rees Investments Limited.

Qualified Opinion

11. 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 the financial statements of the subsidiaries, associate and jointly controlled companies as noted below, except for the effects/possible effects of the matters

described in the Basis for Qualified Opinion paragraph above 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 companies as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

12. We draw attention to Note 41 to the consolidated financial statements regarding payment of managerial remuneration of Rs.37.5 million and Rs.37.2 million for the financial years ended March 31, 2014 and 2013 respectively, which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956, by Rs.13.5 million and Rs.13.2 million respectively. The Company has filed necessary application to the Central Government which is pending approval as on date. Pending the ultimate outcome of the aforesaid matter which is presently unascertainable, no adjustments have been recorded in the statement. Our report is not qualified in respect of this matter.

13. We draw attention to note 42 to the consolidated financial statement which indicates that the Group has incurred a net loss of Rs.1,064.9 million for the year ended March 31, 2015. Further as of that date, the Group's current liabilities exceeded its current assets by Rs.1,804.8 million. These conditions along with other matters as set forth in aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our report is not qualified in respect of this matter.

Other Matters

14. We did not audit the financial statements of eleven subsidiaries and two jointly controlled companies, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs.4,330.2 million as at March 31, 2015, total revenues (after eliminating intra-group transactions) of Rs.80.1 million and net cash flows amounting to Rs.(56.2) million for the year ended on that date. The consolidated financial statements also include the Group's share of net loss of Rs.58.1 million for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of one associate company, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled companies and associate company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled companies and associate company, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is 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

15. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiary companies, associate company and jointly controlled companies incorporated in India (to the extent applicable), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, associate and jointly controlled companies, we report, to the extent applicable, that:

a) We have sought and except for the effect/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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) Except for the effect/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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) Except for the effect/ possible effects of the matters described in the Basis for Qualified Opinion paragraph,in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e) The matter described in paragraph 2 under the Emphasis of Matters paragraph, 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 as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate company and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled companies, incorporated in India are disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of Act; and

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

    (i) Except for the effect/ possible effects of the matters described in the basis of Qualified Opinion paragraph above, as detailed in Note 30, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled companies;

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

    (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, associate company and jointly controlled companies incorporated in India.

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, 2015

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

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding 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 based on the comments in the auditors' reports of the subsidiary companies, associate company and joint controlled companies incorporated in India (to the extent applicable) (collectively hereinafter referred to as the "Indian entities of the Group"), we report that:

(i) a) The Holding Company, five subsidiary companies and one associate company incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets. One subsidiary company and one jointly controlled company incorporated in India do not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable to them.

b) The Holding Company, five subsidiary companies and one associate company which have fixed assets,have a regular program of physical verification of its fixed assets under which fixed assets of the Holding Company are verified in a phased manner over a period of three years and the fixed assets of five subsidiary companies and one associate company are physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of these companies and the nature of its assets.

(ii) a) In case of the Holding Company, three subsidiary companies and one associate company, the management have conducted physical verification of inventory at reasonable intervals during the year. Three subsidiary companies and one jointly controlled company incorporated in India do not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to them.

b) The procedures of physical verification of inventory followed by management of Indian entities of the Group referred to in (ii) (a) above, are reasonable and adequate in relation to the size and the nature of their business.

c) Entities referred to in (ii)(a) above, are maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Holding Company, five subsidiary companies and one jointly controlled company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a) and 3(iii) (b) of the Order are not applicable. However, in case of an associate company unsecured loan is granted to a company and in case of a subsidiary company, unsecured loans have been granted to six companies, covered in register maintained under section 189 of the Companies Act, 2013.

a) In case of unsecured loan granted by an associate company, receipt of the principal amount and the interest is regular. In case of unsecured loans granted by a subsidiary company, the principal amounts are repayable on demand after a stipulated period and since the repayment of such loans has not been demanded, in our opinion, receipt of the principal and interest amount is regular.

b) there is no overdue amount exceeding Rupees one lakh in respect of unsecured loans granted to such companies.

(iv) In our opinion and on consideration of the comments in the reports of the other auditors, in case of the Holding Company, five subsidiary companies, one associate company and one jointly controlled company, incorporated in India, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and on consideration of the comments in the reports of the other auditors, no major weakness has been noticed in the internal control system in respect of these areas. However, in case of one subsidiary company, owing to the nature of its business, the company does not maintain any physical inventory or sells any goods. Further, there are no transactions pertaining to purchase of fixed assets or sales of services. Accordingly, clause 3(iv) of the Order with respect to purchase of inventory and fixed assets and sale of goods and services is not applicable to it.

(v) In our opinion, the Holding Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the, Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard. However, six subsidiary companies, one associate company and one jointly controlled company, incorporated in India, have 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 to them.

(vi) We have broadly reviewed the books of account maintained by the Holding Company and one associate 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 Holding Company's and associate 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. However, in case of six subsidiary companies and one jointly controlled company, incorporated in India, to the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to them.

(vii) a) All Indian entities of the Group, are generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

b) In case of six subsidiary companies, one associate company and one jointly controlled company, incorporated in India, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

However, in case of the Holding Company, the dues outstanding in respect of income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess 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	96.6	Assessment Year 2005-06	CIT (Appeals)
Income Tax Act, 1961	Disallowance in respect of certain purchases and expense items	3,294.9	-	Assessment Year 2006-07 to 2012-13	CIT (Appeals)
The Finance Act, 1994	Demand raised for service tax by Assessing Officer	72.6	Nil	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	Hon'ble Supreme Court

c) The Holding Company has transferred the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time. However, in case of six subsidiary companies, one associate company and one jointly controlled company, incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the aforesaid companies in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii) (c) of the Order are not applicable to them.

(viii) In respect of Holding Company and four subsidiary companies incorporated in India, the accumulated losses at the end of the financial year are more than fifty percent of its net worth.The accumulated losses of one subsidiary company and one associate company incorporated in India at the end of the financial year are less than fifty percent of its net worth.

The Holding Company and three subsidiary companies incorporated in India have incurred cash losses in the current and the immediately preceding financial year. Two subsidiary companies and one associate company incorporated in India have incurred cash losses in the current year but had not incurred cash losses in the immediately preceding financial year.

The jointly controlled company has been registered for a period of less than five years. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to it. One subsidiary company incorporated in India has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(ix) In case of the Holding Company, as explained in Note 44 to the consolidated financial statements, after receiving the approvals for rescheduling its loans from the banks, the Holding Company has not defaulted in repayment of its dues to any bank during the year. The Holding Company has no dues payable to any financial institution or debenture-holders during the year. Also, five subsidiary companies, one associate company and one jointly controlled company, incorporated in India, have no dues payable to financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to them.

One subsidiary company has defaulted in repayment of dues to the following banks:

Name of Bank	Amount (Rs. in million)	Due date	Delay in Days
Bank of Baroda	11.26	May 1, 2014	27-53
Bank of Baroda	11.58	Jun 1, 2014	22-25
Bank of Baroda	11.02	Jul 1, 2014	20-27
Bank of Baroda	11.37	Aug 1, 2014	91-118
Bank of Baroda	11.49	Sept 1, 2014	87-117
Bank of Baroda	11.27	Oct 1, 2014	87-91
Bank of Baroda	11.78	Nov 1, 2014	60-90
Bank of Baroda	11.48	Dec 1, 2014	60-88
Bank of Baroda	11.89	Jan 1, 2014	57-81
Bank of Baroda	11.75	Feb 1, 2014	50-83
Bank of Baroda	10.63	Mar 1, 2014	55-88

All Indian entities of the Group, have not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.

(xi) In our opinion, the Holding Company and one subsidiary company have applied the term loans for the purpose for which these loans were obtained. However, in case of five subsidiary companies, one associate company and one jointly controlled company incorporated in India, did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to them.

(xii) No fraud on or by any of the Indian entities of the Group has been noticed or reported during the course of audit by the respective 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, 2015

Consolidated Balance Sheet As at March 31, 2015

(Rs. in million)

	Note No.	As at March 31, 2015		As at March 31, 2014	
Equity and liabilities					
Shareholders' funds					
Share capital	3	224.3		61.3	
Reserves and surplus	4	4,487.6	4,711.9	5,065.9	5,127.2
Share application money (pending allotment)	3		1.0		-
Minority Interest	5		34.2		54.8
Non-current liabilities					
Long term borrowings	6	7,229.7		5,831.7	
Deferred tax liabilities (net)	7	4.8		5.2	
Other long term liabilities	9	145.9		29.1	
Long term provisions	8	116.9	7,497.3	117.3	5,983.3
Current liabilities					
Short-term borrowings	10	2,958.4		3,206.7	
Trade payables	11	2,091.3		2,521.1	
Other current liabilities	11	1,948.5		2,519.1	
Short-term provisions	8	62.1	7,060.3	21.3	8,268.2
Total			19,304.7		19,433.5
Assets					
Non current assets					
Fixed assets	12				
Tangible assets		11,165.2		12,381.9	
Intangible assets		277.8		373.5	
Capital work-in-progress (Refer Note 32)		1,432.0		1,601.2	
Intangible assets under development		122.8	12,997.8	123.6	14,480.2
Non-current investments	13		102.0		159.7
Long-term loans and advances	14		946.9		1,062.0
Other non current assets	19		0.8		3.5
			14,047.5		15,705.4
Current assets					
Current investments	18		49.8		-
Trade receivables	15		985.7		949.3
Inventories	16		3,102.2		2,198.1
Cash and bank balances	17		524.0		247.8
Short-term loans and advances	14		531.9		291.7
Other current assets	19		63.6		41.2
			5,257.2		3,728.1
Total			19,304.7		19,433.5
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 and on behalf of Board of Directors of Panacea Biotec Limited

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Place : New Delhi
Dated : May 30, 2015

Soshil Kumar Jain
Chairman
(DIN 00012812)

Naresh Chand Gupta
G.M. Accounts & Taxation

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Devender Gupta
Chief Financial Officer &
Head Information Technology

Consolidated Statement of Profit & Loss Account

For the Year ended March 31, 2015

(Rs. in million)

	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Income			
Revenue from operations	20	6,871.9	5,099.9
Other income	21	284.8	153.6
Total (a)		7,156.7	5,253.5
Expenses			
Cost of raw and packing material consumed	22	2,445.7	2,020.4
Purchases of traded goods		207.8	226.5
Changes in inventories of	23		
finished goods		44.4	394.5
work-in- progress		103.3	(514.4)
and stock in trade		0.9	13.0
Employee benefits expenses	24	1,359.8	1,449.2
Finance costs	26	1,045.3	1,503.0
Depreciation and amortisation expenses	27	672.4	711.0
Other expenses (including a prior period expenses of Rs.Nil (Previous years Rs.19.4 million))	25	2,271.2	2,330.8
Total (b)		8,150.8	8,134.0
Profit/(Loss) before exceptional items and tax (a-b)		(994.1)	(2,880.5)
Exceptional item	28	-	1,770.9
Total (c)		-	1,770.9
Profit/(Loss) before tax (a-b) + (c)		(994.1)	(1,109.6)
Tax expenses			
Current tax		31.2	16.5
Deferred income tax (credit)/charge		(0.4)	0.3
Total tax expenses		30.8	16.8
Profit/(Loss) for the year before share of loss from associate and share of minority interest		(1,024.9)	(1,126.4)
Add: Share of loss in associates		(58.1)	(5.7)
Less: Share of Minority Interest in loss		17.9	10.8
Profit/(Loss) for the year		(1,065.1)	(1,121.3)
Profit/(Loss) attributable to owners of the Company		(1,065.1)	(1,121.3)
Minority Interest		17.9	10.8
Earnings per equity share of Re.1 each :			
Basic earnings per share (in Rs.)	29	(17.39)	(18.31)
Diluted earnings per share (in Rs.)	29	(17.39)	(18.31)
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 and on behalf of Board of Directors of Panacea Biotec Limited

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Place : New Delhi
Dated : May 30, 2015

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Joint Managing Director
(DIN 00013053)

Naresh Chand Gupta
G.M. Accounts & Taxation

Devender Gupta
Chief Financial Officer &
Head Information Technology

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

1. Basis of preparation

The Consolidated financial statements relate to Panacea Biotec Limited ('Parent Company' or 'Company'), its Subsidiary Companies, Joint Ventures and Associate (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 Venture have been consolidated using proportionate consolidation method. Intra Group 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 having a significant influence in decision for operation of business of associates is accounted for by Equity Method in accordance with Accounting Standards-23, Accounting for Investment in Associates.

iv. The financial statements of the Subsidiary Companies, Joint Ventures and Associate used in the consolidation are drawn for the same period as that of the Parent Company i.e. year ended March 31, 2015 except in case of Panacea Biotec Gmbh (serial no. 9 below) whose financial statements for the nine month period ended on and as at December 31, 2014 were considered for the purpose of consolidated financial statement of the Group.

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 Venture 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, 2015	As at March 31, 2014
1	Radhika Heights Limited (formerly Best On Health Limited)	Subsidiary	India	100.0	100.0
2	Cabana Construction Private Limited (formerly Panacea Educational Institute Private Limited)	Indirect Subsidiary*	India	100.0	100.0
3	Radicura Infra Limited (formerly Radicura & Co. Limited)	Indirect Subsidiary*	India	100.0	100.0
4	Nirmala Buildwell Private Limited (formerly Panacea Hospitality Services Private Limited)	Indirect Subsidiary*	India	100.0	100.0
5	Sunanda Infra Limited (formerly Sunanda Steel Company Limited)	Indirect Subsidiary*	India	100.0	100.0
6	Nirmala Organic Farms & Resorts Private Limited	Indirect Subsidiary*	India	100.0	100.0
7	Cabana structures Limited (formerly Best On Health Foods Limited)	Indirect Subsidiary*	India	100.0	100.0
8	NewRise Healthcare Private Limited (formerly Umkal Medical Institute Private Limited)	Subsidiary	India	87.4	77.9
9	Panacea Biotec GmbH #	Subsidiary	Germany	100.0	100.0
10	Rees Investments Limited	Subsidiary	Guernsey	100.0	100.0
11	Kelisia Holdings Limited	Indirect Subsidiary†	Cyprus	100.0	100.0
12	Kelisia Investment Holdings SA##	Indirect Subsidiary††	Switzerland	100.0	100.0
13	Panacea Biotec(International) SA	Subsidiary	Switzerland	100.0	100.0
14	Panacea Biotec Germany GmbH#	Indirect Subsidiary$	Switzerland	100.0	100.0
15	Chiron Panacea Vaccines Private Limited#	Joint Venture**	India	50.0	50.0
16	Adveta Power Private Limited	Joint Venture**	India	50.0	50.0
17	PanEra Biotec Private Limited	Associate	India	50.0	50.0

* Wholly Owned Subsidiary of Radhika Heights Limited (formerly Best On Health Limited)
** Jointly controlled entity
† Wholly Owned Subsidiary of Rees Investments Limited
†† Wholly Owned Subsidiary of Kelisia Holdings Limited
$ Wholly Owned Subsidiary of Panacea Biotec (International) SA
\# Under liquidation process
Liquidated w.e.f. October 7, 2014

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

vii. Goodwill represents the difference between the Parent Company's shares 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) Change in Accounting Policy

During the financial year ended March 31, 2014,the Company, with effect from October 1, 2013, has revised its accounting policy of providing for depreciation from written down value method to the straight-line method as the management believes that the straight line method of depreciation accounting would result in more appropriate presentation of financial information. The Company had also carried out a technical evaluation to assess the revised useful life of fixed assets. The change in the above accounting policy resulted in a surplus of Rs.1,948.3 million relating to the depreciation already charged upto the period ended September 30, 2013. Out of the total surplus of Rs.1,948.3 million, surplus of Rs.1,770.9 million was credited to the statement of profit and loss of the previous year and shown as exceptional income and the balance surplus of Rs.177.4 million which was related to the revalued amount of fixed assets was credited to the revaluation reserve during the previous year.

b) 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.

c) Tangible assets

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 asset revaluation reserve.

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 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 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 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.

d) Depreciation on tangible 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, 201. 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.

iii) With effect from April 1, 2014, the Group has discontinued the recoupment of depreciation from revaluation reserve in compliance with provisions of Schedule II of Companies Act, 2013.

e) 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 capitalised 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.

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

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 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

f) 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.

g) 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.

h) 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.

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.

i) 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.

j) 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.

k) 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 and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted 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.

l) 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 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 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 Group's right to receive dividend is established by the reporting date.

m) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are restated in the reporting currency, by applying to the foreign currency amount, the exchange rate

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between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated 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:

1. 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.
2. 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.
3. 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 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 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.

n) 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.

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. 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.

o) 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 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.

p) 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.

q) 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.

r) 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.

s) Cash & cash equivalent

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

t) 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.

u) 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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to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
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 Nil) 0.5% cumulative non convertible and non participating redeemable preference shares of Rs.10 each.	163.0	-
	224.3	61.3

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 Company has not declared 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. The distribution will be in proportion to the number of equity shares held by the 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 Company has not declared any dividend for current year and previous year.
The preference shares are 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 Corporate Debt Restructuring (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 holders. The distribution will be in proportion to the number of preference shares held by the 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, 2015		As at March 31, 2014	
	No.	Amount	No.	Amount
At the beginning of the year	61,250,746	61.3	61,250,746	61.3
Movement during the year	-	-	-	-
Outstanding at the end of the year	61,250,746	61.3	61,250,746	61.3

f) Reconciliation of the 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, 2015	
	No.	Amount
At the beginning of the year	-	-
Movement during the year (issued other than cash)	16,300,000	163.0
Outstanding at the end of the year	16,300,000	163.0

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

	2014-15	2013-14	2012-13	2011-12	2010-11
Bonus Share	-	-	-	-	-
Preference shares issued for consideration other than cash by conversion of loan	16,300,000	-	-	-	-
Equity shares bought back by the Company	-	-	-	-	5,592,000
Total	16,300,000	-	-	-	5,592,000

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

	As at March 31, 2015		As at March 31, 2014	
Name of persons	No. of shares	% age of holding	No. of shares	% 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 Limited	8,932,632	14.58%	8,932,632	14.58%

Summary of significant accounting policies and other explanatory information

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i) Detail of 0.5% cumulative non convertible and non participating redeemable preference shareholders holding more than 5% shares in the Company :

	As at March 31, 2015	
Name of persons	No. of shares	% age of holding
Mr. Soshil Kumar Jain	6,570,000	40.31%
Dr. Rajesh jain	6,570,000	40.31%
Mr. Sandeep Jain	3,160,000	19.38%

j) During the year Adveta Power Private Limited received a share application money of Rs.2 million for issue of preference shares, from PanEra Biotec Private Limited. Adveta Power Private Limited has issued 2,00,000 0.5% non cumulative non convertible redeemable preference shares of Rs.10 each on May 16, 2015.

The above information has been furnished as per the shareholders details available with the Company as at year end.

(Rs. in million)

	As at March 31, 2015		As at March 31, 2014	
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 reserve				
Balance as per the last financial statements		919.4		919.4
Revaluation reserve				
Balance as per the last financial statements (Refer note 2.1(c))	4,271.3		4,167.7	
Revaluation reserve credited during the year	459.4		177.4	
Less: Adjustment for conversion of land into stock in Trade (refer note 51)	(136.0)	4,594.7	(73.8)	4,271.3
Foreign currency monetary item translation difference account				
Balance as per the last financial statements (refer note 45)	(196.8)		(102.4)	
Add: Exchange differences accumulated during the year	(65.0)		(139.8)	
Less: Exchange differences amortised during the year	59.6	(202.2)	45.4	(196.8)
Foreign currency translation reserve				
Balance as per the last financial statements	(95.3)		(77.8)	
Add: Movement during the year	169.8	74.5	(17.5)	(95.3)
General reserve				
Balance as per the last financial statements		369.9		369.9
(Deficit)/ Surplus in the statement of profit and loss				
Balance as per the last financial statements	(1,231.0)		(109.7)	
(Loss) for the year	(1,065.1)		(1,121.4)	
Adjustment to fixed asset as per schedule II of Companies Act 2013	(1.0)		-	
Transfer to General Reserve	-	(2,297.1)	-	(1,231.0)
		4,487.6		5,065.9
5. Minority Interest				
Minority interest of New Rise Healthcare Private Limited (formerly known as Umkal Medical Institute Private Limited)				
i) Minority interest in equity		10.6		11.1
1,058,980 (previous year 1,106,986) equity shares of Rs.10 each, fully paid up				
ii) Minority interest in non-equity				
a) Security premium		51.8		54.0
b) Balance in statement of profit and loss				
Share of profit/(loss) brought forward	(10.3)		0.5	
Share of profit/(loss) of the year	(17.9)	(28.2)	(10.8)	(10.3)
Total minority interest		34.2		54.8

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to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	Non-current portion as at		Current maturities as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
6. Long Term Borrowings				
Term loans				
Foreign currency term loans from banks (secured)				
Bank of India (refer note A&B)	1,562.5	1,497.5	-	-
Indian rupee term loan from banks (secured)(refer note A&B)				
State Bank of India [loan - I]	1,576.0	1,200.0	24.0	400.0
State Bank of India [loan - II]	800.3	650.0	12.2	162.5
State Bank of India [loan - III]	231.7	173.2	3.5	62.0
State Bank of Travancore	548.4	822.5	548.2	274.1
Indian Overseas Bank	985.0	375.0	15.0	625.0
Bank of Baroda (refer note C(iv))	945.1	1,030.4	95.8	-
Indian rupee working capital term loan from banks (secured)(refer note A&B)				
Canara bank	36.1	-	0.6	-
Bank of India	59.7	-	0.9	-
Union Bank of India	43.8	-	0.7	-
IDBI Bank Limited	17.0	-	0.3	-
Axis Bank Limited	4.7	-	0.1	-
Indian Overseas Bank	45.8	-	0.7	-
Indian rupee funded interest term loan from banks (secured)(refer note A&B)				
Canara bank	22.0	-	0.3	-
Bank of India	66.3	-	1.0	-
Union Bank of India	26.7	-	0.4	-
IDBI Bank Limited	10.7	-	0.2	-
Axis Bank Limited	3.3	-	0.0	-
Indian Overseas Bank	180.1	-	2.7	-
Indian rupee other term loans				
Department of Biotechnology (secured) (refer note C (i))	46.2	58.0	41.8	30.0
Technology Development Board (secured) (refer note C (ii))	6.3	11.1	6.3	1.4
Department of Science & Technology (unsecured) (refer note C (iii))	12.0	14.0	6.0	4.0
	7,229.7	5,831.7	760.7	1,559.0
The above amount includes				
Secured borrowings	7,217.7	5,817.7	754.7	1,555.0
Unsecured borrowings	12.0	14.0	6.0	4.0
Amount disclosed under the head "Note 11 . Other current liabilities"	-	-	(760.7)	(1,559.0)
Net amount	7,229.7	5,831.7	-	-

Notes :

A. Loans under Corporate Debt Restructuring (CDR):

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 24.09.2014, except foreign currency term loan from Bank of India; and Indian rupee term loan from Bank of Baroda .
2. The Company has executed Master Restructuring Agreement (MRA)/other definitive documents with all lender banks, except State Bank of Travancore, on December 27, 2014 with Cut Off Date of October 1, 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 September 2023. However, first installment will be 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% w.e.f. October 1, 2018.
   v. Interest obligations aggregating Rs.1,554.0 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) on sustainable working capital borrowings for a period of 12 months from Cut Off Date, shall be converted into Funded Interest Term Loan (FITL).
   vi. The entire overdues aggregating Rs.842.8 million in the working capital borrowings as on the Cut Off Date shall be 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. The Rupee term loan from State Bank of Travancore of Rs.1,096.6 million is repayable in twelve quarterly installments commencing from June 2014. (refer note 43).

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B. Securities for the long term loans and sustainable working capital borrowings:

1. The long term borrowings, except Rupee term loans from Department of Biotechnology, Technology Development Board, and Department of Science & Technology, 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; (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; and iii) personal guarantees by the promoter directors viz. Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain of the Company.
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; (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; and (iii) personal guarantees by the promoter directors viz. Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain of the Company.
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 shares held by the promoter directors viz. Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain in the Company. The personal guarantee and pledge of shares held by Mr. Ravinder Jain and Mr. Sumit Jain, in the Company, are currently pending.
4. The long term loans and working capital facilities from SBI & SBT 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 Samel Heri, Tehsil Dera Bassi, District S.A.S. Nagar (Mohali) in the State of Punjab;
   - ii. All parcels of land admeasuring 93 Bighas, 12 Biswas and 10 Biswasi situated at Village Samelheri, Sub Registrar Derabassi, District Patiala in the State of Punjab;
   - iii. All parcels of land admeasuring 26 Bighas 3 biswas comprised in various Khewat/Khatoni Numbers, situated Village Manpura, Tehsil Nalagarh, District Solan in the State of Himachal Pradesh;
   - iv. All parcels of land admeasuring 91 Bighas 1 Biswa, comprised in various Khewat/Khatoni Numbers situated Village Malpura, Tehsil Nalagarh, District Solan in the State of 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 (Mohali), District S.A.S. Nagar (Mohali), Punjab;
   - vi. Flat number 3, 4, 203 and 303 situated at Elite Heights Apartment, at municipal n. 6-3-1238/15/1 & 6-3-1238/16 survey no: 32/1, at Somajiguda, Hyderabad;
   - 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. Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri,(East) Mumbai;
   - x. 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;
   - xi. Flat no. 701 & 702 in A/B wing situated at Progressive Sea Lounge, plot no: 44 & 45, sector-15, C.B.D. Belapur, 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 Mohili village Andheri Kurla, Road Greater Mumbai; and
   - xiii. Industrial plot no, Gen-72/3, land measuring 5518 sq. mts. in the Trans Thane Creek Industrial Area, Navi Mumbai.;

C. Repayment terms and security of the loans outside the CDR Scheme: (refer note 44):

- i. Rupee term loan from Department of Biotechnology is for specific projects (H1N1, Streptococcus and Alopecia), which is repayable in ten equal half-yearly installments commencing from one year after the completion of the project and the same is secured by way of hypothecation of the Company's all equipments, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) by way of first charge on pari-passu basis.
- ii. Rupee term loan from Technology Development Board (TDB) is for specific project and is repayable in nine equal half-yearly installments commencing from January 2015 and the same 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. The Company is in process of executing a supplementary agreement with TDB restricting the loan amount to Rs.12.5 million and revise the installments accordingly.
- iii. The unsecured Rupee term loan from Department of Science and Technology is for specific project and is repayable in ten equal annual installments commencing from September 2012.
- iv. 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 of the company & by way of 1st charge on current assets (present & future) of the company.

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
7. Deferred tax liabilities (Net)		
Deferred tax liabilities relating to		
Differences in depreciation and amortization in block of fixed assets as per Income Tax Act and books of accounts	869.2	939.1
Capital expenditure on research and development	25.8	0.6
Effect of finance lease accounting	0.9	3.1
	895.9	942.8
Deferred tax assets relating to		
Effect of expenditure debited to statement of profit and loss but allowed for tax purposes on payment basis	560.6	132.1
Effect of unabsorbed business loss and depreciation*	330.5	805.5
	891.1	937.6
Net deferred tax liabilities	4.8	5.2

* 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".

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	Long term as at		Short term as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
8. Provisions				
Provision for employees benefits				
Provision for gratuity (Refer note 39)	35.4	20.2	-	0.1
Provision for leave encashment	81.5	97.1	36.6	-
Other provisions				
Provision for wealth tax	-	-	5.0	10.0
Provision for income tax	-	-	0.0	0.4
Provision for litigations*	-	-	10.0	10.0
Provision for liquidation expenses	-	-	0.8	0.8
Provision for income tax (MAT Payable)			9.7	-
	116.9	117.3	62.1	21.3
Movement in provision for litigations				
Opening balance			10.0	10.0
Addition during the year			-	-
Deletion during the year			-	-
Closing balance			10.0	10.0

* Maharashtra State Electricity Distribution Company Limited [MSEDCL] served a demand notice to the Company on account of wrong tariff rates applied for the power consumption at its research and development center located at Navi Mumbai. The Company contested the matter in Consumer Grievance Redressal Forum [CGRF] of MSEDCL which had already given decision in favour of the Company. However, MSEDCL challenged the decision and filed a case with the Mumbai High Court. During the previous year, the High Court has passed the a favourable order for the Company. However, the MSEDCL has further challenged the decision of the High Court and moved the matter to Honourable Supreme Court. A provision of Rs.10.0 million has been accounted for in the books of accounts pertaining to this notice on a conservative basis.

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
9. Other long term liabilities		
Income received in advance	7.0	17.3
Group's liability towards preference share capital of Adveta Power Private Limited, joint venture company	11.8	11.8
Group's liability towards preference share capital of New Rise Health Care Limited	127.1	-
	145.9	29.1
10. Short term borrowings		
Cash credits from banks (secured) (refer note 6(B)(2))	2,084.8	2,503.9
Buyers' credit from banks (secured) (refer note 6(B)(2))	543.4	208.2
Working capital loan from bank (secured)	-	64.1
Deposits from public (unsecured)	7.0	7.0
Deposits from related parties (unsecured)	(7.0)	133.2
Loan from related parties (unsecured) (Refer note 34)	210.2	290.3
Loan from others (unsecured)	120.0	-
	2,958.4	3,206.7
The above amount includes		
Secured borrowings	2,628.2	2,776.2
Unsecured borrowings	330.2	430.5
	2,958.4	3,206.7

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
11. Other Current Liabilities		
Trade payables (Refer note 33 for details of dues to Micro, Small & Medium Enterprises)	2,091.3	2,521.1
Other liabilities		
Current maturities of long term borrowings (Note 6)	760.7	1,559.0
Book Overdraft	0.1	0.2
Interest accrued but not due on borrowings	4.5	6.9
Interest accrued and due on borrowings	943.5	551.3
Advances from customers	102.7	290.6
Income received in advance	10.3	10.3
Sundry deposits	55.2	49.7
Investor education and protection fund will be credited by following amount (as and when due)	-	-
Unpaid dividend on equity shares	0.4	0.6
Others :	-	-
Statutory dues	71.1	50.5
	1,948.5	2,519.1

12. 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 1, 2013	4,026.1	412.2	4,002.9	86.3	6,537.1	359.3	165.4	230.9	193.8	16,014.0
Additions	7.1	-	9.6	-	68.7	-	-	0.3	0.3	86.0
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposals	47.2	-	-	-	-	0.1	14.1	0.5	1.0	62.9
Other Adjustments										
- Exchange Differences	-	-	-	-	-	-	-	-	-	-
At March 31, 2014	3,986.0	412.2	4,012.5	86.3	6,605.8	359.2	151.3	230.7	193.1	16,037.1
Additions	-	-	8.1	8.6	110.9	0.1	0.6	1.0	0.1	129.4
Revaluation	(46.0)	81.5	423.9	-	-	-	-	-	-	459.4
Disposals	-	-	-	-	-	-	11.9	0.0	0.8	12.7
Other Adjustments	1,226.0	-	8.8	-	-	0.0	-	0.9	0.0	1,235.7
- Exchange Differences	-	-	-	-	-	-	-	-	-	-
At March 31, 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
Depreciation										
At April 1, 2013	-	8.4	1,017.6	86.3	3,179.4	241.4	117.8	139.4	171.6	4,961.9
Charge for the year	-	4.6	151.3	-	386.0	22.0	14.0	9.0	9.7	596.6
Adjustment change of method	-	-	(676.3)	-	(1,277.1)	(26.2)	(20.8)	55.3	(3.2)	(1,948.3)
Deduction & Adjustment during the year	-	-	-	-	-	0.1	10.6	0.3	0.9	11.9
Other Adjustments										
- Exchange Differences	-	-	6.9	0.0	46.9	1.1	-	1.5	0.5	56.9
At March 31, 2014	-	13.0	499.5	86.3	2,335.2	238.2	100.4	204.9	177.7	3,655.2
Charge for the year	-	4.6	95.4	1.2	363.9	24.4	13.0	5.1	5.1	512.7
Deduction & Adjustment during the year	-	-	-	-	-	-	8.1	0.1	0.8	9.0
Other Adjustments	-	-	7.2	-	-	-	-	0.5	-	7.7
- Exchange Differences	-	-	4.1	-	39.0	1.0	-	1.6	-	45.7
At March 31, 2015	-	17.6	606.2	87.5	2,738.1	263.6	105.3	212.0	182.0	4,212.3
Net Block										
At March 31, 2014	3,986.0	399.2	3,513.0	(0.0)	4,270.6	121.0	50.9	25.8	15.4	12,381.9
At March 31, 2015	2,714.0	476.1	3,829.5	7.4	3,978.6	95.7	34.7	18.8	10.4	11,165.2
Capital work-in-progress				`						
At March 31, 2014										1,601.2
At March 31, 2015										1,432.0

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

Intangible Assets

(Rs. in million)

Description	Goodwill	Patent, Trademark & Copyrights	Softwares	Websites	Product Development	Total
Cost or Valuation						
At April 1, 2013	124.2	85.9	220.5	9.3	487.7	927.6
Additions	8.1	-	3.4	-	-	11.5
Sale/ Adjustment	-	-	-	-	-	-
Other Adjustments						
- Exchange Differences	-	-	-	-	-	-
At March 31, 2014	132.3	85.9	223.9	9.3	487.7	939.1
Additions	17.5	-	0.7	-	-	18.2
Disposals	-	-	-	-	-	-
Other Adjustments						
- Exchange Differences	-	-	-	-	-	-
At March 31, 2015	149.8	85.9	224.6	9.3	487.7	957.3
Depreciation						
At April 1, 2013	64.8	63.2	144.2	9.3	153.0	434.5
Charge for the year	14.4	6.0	24.6	-	86.2	131.2
Deduction & Adjustment during the year	-	-	-	-	-	-
At March 31, 2014	79.2	69.2	168.8	9.3	239.2	565.7
Charge for the year	3.4	2.0	25.2	-	83.2	113.8
Deduction & Adjustment during the year	-	-	-	-	-	-
Other Adjustments						
- Exchange Differences	-	-	-	-	-	-
At March 31, 2015	82.6	71.2	194.0	9.3	322.4	679.5
Net Block						
At March 31, 2014	53.1	16.7	55.1	-	248.5	373.4
At March 31, 2015	67.2	14.7	30.6	-	165.3	277.8
Capital work-in-progress						
At March 31, 2014						123.6
At March 31, 2015						122.8

Notes :

1. During the year ended March 31, 2015, the Company has revalued freehold land and building at the fair values determined by an independent external valuer. The valuer determined the fair value by reference to market-based evidence, i.e., values are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property.
2. Plant & Machinery includes Plant & Machinery amounting to Rs.2.7 million (Previous year Rs.2.9 million) (net block) lying with third parties.

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015		As at March 31, 2014	
13. Non Current Investments				
(valued at cost unless stated otherwise)				
Trade - Unquoted (valued as cost unless stated otherwise)				
Investment in associates				
419,767 (Previous year 419,767) equity shares of Rs.10 each	159.1		164.8	
fully paid in PanEra Biotec Private Limited				
Add: Profit / (loss) for the year	(58.1)	101.0	(5.7)	159.1
Non Trade - Unquoted (valued at cost unless stated otherwise)				
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 nil) equity shares of Rs.10 each		0.5		-
fully paid up in Mohali Green Environment Private Limited				
- Quoted				
a) 10,000 Equity Shares (Previous Year 10,000 of Rs.10/- each) of Rs.10/- each fully paid in Medicamen Biotec Limited		0.1		0.1
b) 2,308.163 Units (Previous Year 2,644.970 Units of 100.1950 NAV) of Rs.100.1950 NAV in BSL Cash Plus - Daily Dividend - Regular Plan		0.2		0.3
		102.0		159.7
*During the year the Group has decided to hold the investment in mutual fund for long term (i.e. beyond one year). Accordingly, the Group has reclassified the investment from "current" to "non-current investment" in accordance with AS13 'Investments'				
Aggregate amount of unquoted investment		101.2		159.3
Aggregate amount of quoted investment		0.8		0.4
Aggregate market value of quoted investment		0.1		0.1
Aggregate provision for other than temporary diminution in value		-		-

(Rs. in million)

		Non-current as at		Current as at	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
14. Loans and Advances					
Capital advances (Unsecured, considered good)(Refer Note 46)	(a)	188.9	211.8	19.5	-
Security deposits (Unsecured, considered good)	(b)	35.4	30.0	5.8	5.8
		224.3	241.8	25.3	5.8
Advances recoverable in cash or in kind					
Unsecured, considered good		2.5	142.5	460.6	220.8
Unsecured, considered doubtful		-	-	30.3	35.3
		2.5	142.5	490.9	256.1
Less : Provision for doubtful advances		-	-	(30.3)	(35.3)
	(c)	2.5	142.5	460.6	220.8
Other loan and advances					
Unsecured, considered good					
Balance with excise, custom etc. (Refer Note 47)		99.5	81.8	-	-
Prepaid expenses		9.9	-	30.4	44.5
Staff loans and advances		-	-	15.6	20.6
Advance income tax (Net of provision of Rs.1,687.4 million (Previous year Rs.1,687.4 million)) (refer note 30 (i)(a))		267.2	243.1	-	-
MAT credit entitlement (Refer Note 48)		343.5	352.8	-	-
Other statutory receivables		-	-	-	-
Doubtful					
Staff loans and advances		-	-	-	4.2
		720.1	677.7	46.0	69.3
Less : Provision for doubtful advances		-	-	-	(4.2)
	(d)	720.1	677.7	46.0	65.1
	Total (a)+(b)+(c)+(d)	946.9	1,062.0	531.9	291.7

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	Current as at March 31, 2015	Current as at March 31, 2014
15. Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	227.9	66.2
Unsecured, considered doubtful	161.1	213.2
	389.0	279.4
Less : Provision for doubtful receivables	(161.1)	(213.2)
(a)	227.9	66.2
Other receivables		
Unsecured, considered good	757.8	883.1
Unsecured, considered doubtful	-	8.1
	757.8	891.2
Less : Provision for doubtful receivables	-	(8.1)
(b)	757.8	883.1
Total (a)+(b)	985.7	949.3

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
16. Inventories		
(valued at lower of cost and net realizable value)		
Raw materials (including packing materials)	525.4	623.2
Work in progress	433.7	646.2
Finished goods	293.7	338.1
Traded goods	37.2	38.1
Stores and spares	132.1	129.0
Land under development	1,680.1	423.5
	3,102.2	2,198.1

(Rs. in million)

	Non-current as at		Current as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
17. Cash and Bank Balances				
Cash and cash equivalents				
Cash on hand	-	-	1.9	1.8
Balances with banks				
Current accounts	-	-	179.4	205.3
Unpaid dividend accounts*	-	-	0.4	0.6
Exchange earner foreign currency accounts	-	-	18.2	0.7
(a)	-	-	199.9	208.4
Other Bank Balances**				
Deposits with original maturity for more than 12 months	0.8	3.5	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	324.1	39.4
(b)	0.8	3.5	324.1	39.4
Amount disclosed under the head "Note 19" . Other assets	(0.8)	(3.5)	-	-
Total (a)+(b)	-	-	524.0	247.8

* Not available for use by the company as they represent corresponding unpaid dividend liabilities.

** Fixed deposits amounting to Rs.3.6 million (Previous year Rs.2.1 million) are pledged with banks and various Government authorities for tender, bank guarantee, margin money etc.

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	As at March 31, 2015	As at March 31, 2014
18. Current Investments		
Quoted investments : (valued as cost unless states otherwise)		
a) 3,475,826.038 Units (Previous Year Nil Units) of 10.056 NAV in Franklin India Ultra Short Bond Fund Super Institutional Plan Daily Dividend - Option Reinvestment	35.0	-
b) 14,749.398 Units (Previous Year Nil Units) of 1000.7164 NAV in Franklin India Treasury Management Account - Super Institutional Plan - Daily Dividend Reinvestment	14.8	-
	49.8	-
Aggregate amount of quoted investment	49.8	-
Aggregate market value of quoted investment	49.8	-

(Rs. in million)

	Non-current as at		Current as at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
19. Other assets				
Unsecured, considered good unless stated otherwise				
Export benefits receivable	-	-	47.2	38.9
Interest accrued on deposits/loans (considered good)	-	-	4.8	1.3
Other current assets	-	-	11.6	1.0
Non current bank balances (Refer note 17)	0.8	3.5	-	-
	0.8	3.5	63.6	41.2

(Rs. in million)

	For the year ended March 31, 2015	For the year ended March 31, 2014
20. Revenue From Operations		
Sales of products		
Finished goods	5,966.9	4,233.7
Traded goods	494.0	526.1
Sale of services		
Contract manufacturing	55.1	42.4
Other operating revenue		
Export benefits	67.7	41.7
Research and license fees income	240.0	178.2
Royalty income	49.1	81.1
Scrap sale	2.8	3.3
Others	0.4	-
	6,876.0	5,106.5
Less: Excise Duty paid on sales	(4.1)	(6.6)
Total Revenue from operations	6,871.9	5,099.9
21. Other Income		
Interest income on		
Banks deposits	22.3	4.0
Income tax refund	-	16.0
Others	14.3	53.5
Dividend income on:		
Investments in mutual fund	0.0	0.0
Investment in other non trade fund	1.1	3.0
Income from sale of current investment	0.0	2.1
Excess provision written back	150.9	5.4
Lease rent	24.9	53.8
Income on reversal of revaluation on land	48.7	-
Miscellaneous	22.6	15.8
	284.8	153.6

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
22. Cost of Raw and Packing Material Consumed				
Inventory at the beginning of the year	623.3		1,190.7	
Add : Purchases during the year	2,347.9		1,453.0	
	2,971.2		2,643.7	
Less : Inventory at the end of the year	525.5		623.3	
		2,445.7		2,020.4

(Rs. in million)

	For the year ended March 31, 2015	For the year ended March 31, 2014	(Increase)/ decrease
23. (Increase)/ Decrease in Inventories			
Inventories at the end of the year			
Finished goods	293.7	338.1	44.4
Traded goods	37.2	38.1	0.9
Work in progress	542.9	646.2	103.3
	873.8	1,022.4	148.6
Inventories at the beginning of the year			
Finished goods	338.1	732.6	394.5
Traded goods	38.1	51.1	13.0
Work in progress	646.2	131.8	(514.4)
	1,022.4	915.5	(106.9)
	148.6	(106.9)	

(Rs. in million)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
24. Employee Benefits Expense				
Salary, wages and bonus		1,194.5		1,315.3
Contractual wages		46.7		41.7
Contribution to provident and other funds		42.0		36.8
Staff welfare expenses		55.4		55.4
Gratuity expense (refer note 39)		21.2		-
		1,359.8		1,449.2

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
25. Other Expenses*				
Contract manufacturing (including a prior period expenses of Rs.Nil (Previous years Rs.7.4 million))		89.2		143.9
Analytical testing and trial		42.1		71.2
Consumption of stores and spares		166.4		176.8
Power and fuel		307.3		317.4
Repair and maintenance :				
Buildings	19.1		12.9	
Plant and machinery	29.2		35.8	
Others	39.2	87.5	33.9	82.6
Rent		52.3		61.4
Royalty		22.5		19.2
Directors' sitting fees		1.4		1.0
Printing and stationery		12.4		13.2
Postage and communication		44.8		52.3
Insurance		39.3		43.1
Travelling and conveyance expenses		123.4		143.6
Payment to auditors (Refer note 40)		7.2		7.6
Legal and professional charges		173.8		160.8
Vehicle running and maintenance		32.0		33.2
Rates and taxes		32.2		51.3
Donation		-		0.0
Subscription		13.1		14.6
Staff training and recruitment		19.3		10.1
Bad debts and advances written off		0.0		0.5
Loss on sale/discard of fixed assets (net)		5.7		97.7
Wealth tax		5.0		6.0
Provision for doubtful debts and advances		-		171.0
Exchange difference (net)		273.3		26.9
Advertising and sales promotion		256.0		303.8
Meetings and conferences		26.1		38.9
Freight and forwarding		111.1		78.1
Commission on sales (other than sole selling agents) (including a prior period expenses of Rs.Nil (Previous years Rs.3.8 million))		74.9		79.0
Loss on sale of non current investment		-		0.1
Miscellaneous (including a prior period expenses of Rs.Nil (Previous years Rs.8.2 million))		252.9		125.5
		2,271.2		2,330.8

*For pre-operative expenses refer to note 32

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

	For the year ended March 31, 2015	For the year ended March 31, 2014
26. Finance Cost		
Interest expenses	969.7	1,445.9
Bank charges	63.5	34.4
Exchange differences to the extent considered as an adjustment to borrowing cost	12.1	22.7
	1,045.3	1,503.0
27. Depreciation and amortisation expense		
Depreciation of tangible assets	672.4	653.6
Amortisation of intangible assets	-	131.2
	672.4	784.8
Less : recoupment from revaluation reserve	-	(73.8)
	672.4	711.0
28. Exceptional items		
Exchange differences	-	-
Surplus on account of change in depreciation method (refer note 2.1(a))	-	1,770.9
	-	1,770.9
29. Earning per share		
(Loss) for the year	(1,065.1)	(1,121.3)
Weighted average number of equity shares in calculating basic and diluted earning per share	61,250,746	61,250,746
Basic earnings per share (in Rs.)	(17.39)	(18.31)
Diluted earnings per share (in Rs.)	(17.39)	(18.31)
Nominal value per share (in Rs.)	1.00	1.00

30. Contingent Liabilities (to the extent not provided for)

(Rs. in million)

i)

Particulars	As at March 31, 2015	As at March 31, 2014
Disputed demands/show-cause notices under:-		
a) Income tax cases (refer note (a) below)	3,457.1	167.0
b) Customs duty cases (refer note (b) below)	4.0	4.0
c) Central excise duty cases (refer note (c) below)	-	6.6
d) Service tax (refer note (d) below)	72.6	72.6
Total	3,533.7	250.2
Bank Guarantees	39.6	99.8
Labor cases (in view of large number of cases, it is impracticable to disclose each of them)	1.3	1.5

Notes:

a) i) Includes income tax demand of Rs.162.2 million in respect to AY 2005-06. Income Tax Department raised demand based on certain grounds related with purchases made by the Company from an overseas party. Out of total demand of Rs.162.2 million, Rs.96.6 million has been set off by the tax authorities from the refund due to the Company from the department pertaining to various years. The matters related to income tax demand are still pending with CIT (Appeals). The Company believes that it has merit in these cases, hence no provision is required.

ii) A search operation was conducted by Income Tax Department in the premises of the Company in January, 2012 and hence the Company has filed the income tax return for the Assessment Year 2006-07 to Assessment year 2012-13. The Income Tax Department has completed the income tax assessment of the said years, disallowed certain expenses and raised income tax demand of Rs.3,294.9 million (including interest) on various grounds. The Company has preferred appeals before the CIT (Appeals) towards the order of Income Tax Department and based on the legal opinion, the Company is hopeful that the income tax demand shall be deleted in appeal.

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

c) In respect of central excise duty demand, the Assessing Officer levied excise duty on common inputs used in manufacture of exempted and taxable products. During the year under protest and the matter is decided in favour of company by the Hon'ble Customs, Excise and Service Tax Appellate Tribunal.

d) i) In respect of service tax demand for the FY 2003-04 to 2011-12, the Assessing Officer levied service tax on foreign services rendered and delivered outside India by the Company and certain others services on which there was no liability to pay service tax. The cases are currently pending with Central Excise and Service Tax Appellate Tribunal (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) has been 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 opinion, no adjustment in respect of the expired stock and the interest amount has been made in the consolidated financial statements.

31. Capital & 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 , 2015**	As at March 31 , 2014
Fixed Assets	115.4	327.1

b) Other commitments :

i) Export commitments of Rs.717.85 million (Previous year Rs.2,332.2 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 Sciences & 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 has executed an agreement with other shareholders of its subsidiary company, namely NewRise Healthcare Private Limited (formerly Umkal Medical Institute Private Limited) to acquire the remaining stake in the subsidiary company. The Company has already purchased part of these shares during the current year at an aggregate value of Rs.4.06 million (previous year Rs.11.4 million). As per the terms of the agreement, the Company is required to pay further amount of Rs.89.54 million (previous year Rs.93.6 million) towards purchase of balance shares and post such purchase of shares, the subsidiary company will become a wholly owned subsidiary company.

iv) For commitments relating to lease arrangements, refer note 37.

32. 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, 2014	April 1, 2013	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Legal and professional	140.1	109.6	1.3	30.5	67.0	-	74.4	140.1
Store and spares consumed	0.2	0.2	-	-	-	-	0.2	0.2
Power and fuel	17.5	3.5	-	14.0	-	-	17.5	17.5
Rates and taxes	1.5	1.1	-	0.5	-	-	1.5	1.6
Repair and maintenance	0.4	0.4	-	-	-	-	0.4	0.4
Salary and wages	106.5	58.3	-	48.2	19.6	-	86.9	106.5
Travelling and conveyance	4.6	2.1	-	2.5	0.9	-	3.7	4.6
Rent	14.2	11.4	-	2.7	9.0	-	5.2	14.1
Sundry expenses	274.3	130.4	0.0	143.9	12.5	-	261.8	274.3
Total	559.3	317.0	1.3	242.3	109.0	-	451.6	559.3

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

33. 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, 2015		As at March 31, 2014	
	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	44.7	5.8	35.6	-
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	62.3	5.4	27.7	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	-	11.0	-	-
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.	-	5.2	-	-

34. Related party disclosures

A. Names of related parties

Related Parties with whom transactions has taken place during the year

(a) Joint Ventures
- Chiron Panacea Vaccines Private Limited (under liquidation) (Refer note 38(c))
- Adveta Power Private Limited

(b) Associates
- PanEra Biotec Private Limited

(c) Key Management Personnel
- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- 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. Vinod Goel - Group Chief Financial Officer and Company Secretary
- Mr. Partha Sarthe De - Chief Financial officer (Upto November 30, 2014)
- Mr. Devender Gupta - Chief Financial officer (w.e.f. May 29, 2015)

(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. Nirmala Jain, Wife of Mr. Soshil Kumar Jain
- Mrs. Sunanda Jain, Wife of Mr. Ravinder Jain
- Mrs. Meena Jain, Wife of Dr. Rajesh Jain
- Mrs. Radhika Jain, Daughter of Mr. Ravinder Jain
- Mrs. Shilpy Jain, Wife of Mr. Sumit Jain
- Mr. Ankesh Jain, Son of Dr. Rajesh 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
- First Lucre Partnership Co. (holding shares in the Company).
- Lakshmi & Manager Holdings Limited, Trinidhi Finance Private Limited and Best General Insurance Company Limited

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

B. Detail of transactions with Associates and Joint Ventures companies:

(Rs. in million)

S. No.	Particulars	Associate		Joint Ventures	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
I)	Transactions made during the year				
1	Purchase of raw materials				
	PanEra Biotec Private Limited	157.6	399.6	-	-
2	Sale				
	Chiron Panacea Vaccines Private Limited	-	-	-	-
	PanEra Biotec Private Limited	0.1	8.9	-	-
3	Contract manufacturing charges paid				
	PanEra Biotec Private Limited	-	37.7	-	-
4	Recovery of expenses				
	PanEra Biotec Private Limited	41.1	78.2	-	-
5	Subscription of Shares				
	Adveta Power Private Limited	-	-	-	0.3
6	Rent received				
	PanEra Biotec Private Limited	26.2	52.3	-	-
	Chiron Panacea Vaccines Private Limited	-	-	0.4	0.2
7	Dividend received				
	Chiron Panacea Vaccines Private Limited	-	-	-	0.0
II)	Year end balances				
1	Investments			-	
	PanEra Biotec Private Limited	4.2	4.2	-	-
2	Outstanding receivable				
	Chiron Panacea Vaccines Private Limited	-	-	-	0.1
3	Outstanding loan and advances				
	PanEra Biotec Private Limited	114.4	-	-	-
4	Outstanding payable				
	PanEra Biotec Private Limited	-	173.7	-	-

C. Detail of 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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
I	Transactions made during the year						
1	Remuneration						
	Mr. Soshil Kumar Jain	8.1	8.0	-	-	-	-
	Mr. Ravinder Jain	13.2	12.5	-	-	-	-
	Dr. Rajesh Jain	7.4	7.0	-	-	-	-
	Mr. Sandeep Jain	6.5	6.5	-	-	-	-
	Mr. Sumit Jain	3.6	3.5	-	-	-	-
	Mr. Vinod Goel	3.2	2.7	-	-	-	-
	Mr. Partha Sarathi De	6.4	6.4	-	-	-	-
	Mr. Devender Gupta	-	-	-	-	-	-
	Mr. Ashwani Jain	-	-	3.0	3.0	-	-
	Mr. Shagun Jain	-	-	2.7	3.0	-	-
	Mrs. Shilpy Jain	-	-	0.6	0.7	-	-
	Mrs. Radhika Jain	-	-	1.4	1.4	-	-
	Mr. Ankesh Jain	-	-	0.8	0.3	-	-
	Mr. Harshet Jain			0.2	-	-	-
2	Fixed deposit received						
	Dr. Rajesh Jain	-	20.0	-	-	-	-
	Mr. Sandeep Jain	-	20.0	-	-	-	-
	Mrs. Nirmala Jain	-	-	-	33.2	-	-
	Mrs. Sunanda Jain	-	-	-	19.8	-	-
	Mrs. Meena Jain	-	-	-	70.0	-	-

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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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
3	Fixed deposit repaid/ adjusted						
	First Lucre Partnership Co.	-	-	-	-	-	337.6
	Dr. Rajesh Jain	20.0	-	-	-	-	-
	Mr. Sandeep Jain	20.0	-	-	-	-	-
	Mrs. Nirmala Jain	-	-	33.2	-	-	-
	Mrs. Sunanda Jain	-	-	-	19.8	-	-
	Mrs. Meena Jain	-	-	60.0	10.0	-	-
4	Interest on deposit						
	First Lucre Partnership Co.	-	-	-	-	-	0.3
	Dr. Rajesh Jain	1.2	-	-	-	-	-
	Mr. Sandeep Jain	0.9	-	-	-	-	-
	Mrs. Nirmala Jain	-	-	3.0	1.3	-	-
	Mrs. Sunanda Jain	-	-	-	0.4	-	-
	Mrs. Meena Jain	-	-	5.4	2.8	-	-
5	Rent received						
	Neophar Alipro Limited	-	-	-	-	0.2	0.2
	Trinidhi Finance Private Limited	-	-	-	-	0.2	0.2
6	Loan received						
	Mr. Soshil Kumar Jain	-	130.0	-	-	-	-
	Mr. Ravinder Jain	-	80.2	-	-	-	-
	Dr. Rajesh Jain	-	101.0	-	-	-	-
7	Interest expenses						
	Mr. Soshil Kumar Jain	12.6	14.6	-	-	-	-
	Mr. Ravinder Jain	1.1	7.2	-	-	-	-
	Dr. Rajesh Jain	8.5	10.2	-	-	-	-
	Mr. Sandeep Jain	1.4	1.8	-	-	-	-
	Trinidhi Finance Private Limited	-	-	-	-	0.2	0.1
8	Loan repaid/ adjusted						
	Mr. Soshil Kumar Jain	53.3	20.0	-	-	-	-
	Mr. Ravinder Jain	-	104.0	-	-	-	-
	Dr. Rajesh Jain	58.3	11.0	-	-	-	-
	Mr. Sandeep Jain	18.0	-	-	-	-	-

Note: In respect of personal guarantees given by Promoter-Directors refer Note 6 (Long term borrowings) and 10 (Short term borrowings).

35. Particulars of Un-hedged Foreign Currency Exposure as at Balance Sheet date

Particulars	Currency	As at March 31, 2015 Foreign Currency	Closing Exchange Rate*	As at March 31, 2015 Rs. in million	As at March 31, 2014 Foreign Currency	Closing Exchange Rate*	As at March 31, 2014 Rs. in million
Foreign trade payable	USD	3,749,656	62.50	234.4	2,148,402	59.90	128.7
	Euro	2,341,721	67.19	157.3	1,659,554	82.29	136.6
	CHF	16,870	64.29	1.1	-	-	-
	GBP	9,063	92.43	0.8	9,063	99.56	0.9
	JPY/100	27,228	53.13	1.4	37,035	58.50	2.2
	SEK	16,820	7.25	0.1	16,820	9.20	0.2
	CAD	6,828	49.08	0.3	6,828	54.15	0.4
	KZT	6,886,660	0.35	2.4	3,963,450	0.34	1.3
	THB	5,547	1.93	0.0	745,867	1.84	1.4
Foreign trade receivable	Euro	5,708,435	67.18	383.5	5,209,273	82.28	428.6
	USD	5,993,315	62.49	374.5	7,785,047	59.89	466.2
Foreign currency loans	USD	33,455,572	62.50	2,091.0	26,624,566	59.90	1,594.8
	Euro	222,070	67.19	14.9	1,805,558	82.29	148.6
	CHF	-	-	-	22,097	67.53	1.5
Balance with banks	USD	142,288	62.49	8.9	28,737	59.89	1.7
	Euro	130,629	67.18	8.8	677	82.28	0.1
	KZT	220,147	0.34	0.1	273,895	0.33	0.1
	RUB	401,296	1.07	0.4	245,135	1.67	0.4
Interest accrued but not due	USD	673,530	62.50	42.0	8,781	59.90	0.5
	Euro	2,117	67.19	0.1	11,237	82.29	0.9
	CHF	-	-	-	270	67.53	0.0

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

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

36. 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. 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 Branded Pharmaceutical Formulations. The Company has products for various segments, which include pediatric vaccines, pain management, diabetes management and organ transplantation.

Healthcare : This business segment is engaged in business of operating and maintaining hospitals.

Real estate activities : 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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Revenue												
Segment revenue	2,762.9	1,278.9	3,870.8	3,648.0	238.2	173.0	-	-	-	-	6,871.9	5,099.9
Other income	19.0	58.0	75.3	23.0	3.5	1.8	0.1	0.1	49.3	6.3	147.2	89.2
Total	2,781.9	1,336.9	3,946.1	3,671.0	241.7	174.8	0.1	0.1	49.3	6.3	7,019.1	5,189.1
Segment results	38.9	202.6	1,137.7	1,117.6	(399.7)	(475.2)	(34.6)	0.1	48.9	24.8	791.2	869.9
Unallocated corporate expenses											(877.5)	621.5
Operating profit											(86.3)	248.4
Less: Interest and finance charges											1,045.3	1,503.0
Add: Exceptional items gain/(loss)											-	46.0
Add: Other income											137.6	98.8
Less: Income taxes											30.7	16.8
Net profit											(1,024.7)	(1,126.4)
Particulars	As at		As at		As at		As at		As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Other information												
Segment assets	6,383.0	6,660.4	3,957.2	4,040.7	2,281.2	2,215.5	1,574.8	1,549.5	2,590.9	2,518.5	16,787.1	16,984.6
Unallocated corporate assets											2,517.6	2,448.9
Total assets	6,383.0	6,660.4	3,957.2	4,040.7	2,281.2	2,215.5	1,574.8	1,549.5	2,590.9	2,518.5	19,304.7	19,433.5
Segmental liabilities	497.3	613.8	1,334.6	1,475.4	254.6	272.5	1,176.4	1,101.3	157.7	199.3	3,420.6	3,662.3
Unallocated corporate liabilities											11,137.0	10,589.2
Total liabilities	497.3	613.8	1,334.6	1,475.4	254.6	272.5	1,176.4	1,101.3	157.7	199.3	14,557.6	14,251.5
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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital expenditure on:												
Tangible assets	21.4	19.9	8.9	26.8	13.4	2.9	0.0	0.0	10.1	10.1	53.8	59.7
Intangible assets	-	16.8	0.0	0.0	1.1	113.4	-	-	-	-	1.1	130.2
Depreciation expense*	279.6	298.1	140.2	151.5	100.0	96.5	0.4	0.4	9.7	9.7	529.9	556.2
Amortization expense	-	0.0	0.1	0.1	87.9	91.7	-	-	-	-	88.0	91.8

*Note: Excluding unallocated depreciation and the impact of surplus on account of depreciation due to change in accounting policy in year 2013-14.

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Vaccines	1,384.4	633.5	1,378.5	645.4
Formulations	2,872.8	2724.8	998.0	923.3
Research and Development	15.5	0.1	222.7	172.9
Total	4,272.7	3,358.4	2,599.2	1,741.6

b) Trade receivable as per geographical markets

(Rs. in million)

Segment	Domestic		Overseas	
	As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Vaccines	101.7	1.1	129.7	265.8
Formulations	290.5	243.9	443.7	394.7
Total	392.2	245.0	573.4	660.5

c) The Company has common assets for producing goods for domestic market and overseas markets and these assets are located in India. Hence, separate figures for other assets cannot be furnished.

37. Leases

i. For assets given under operating lease agreements:

a) The Company has leased out the 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, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014*
Building	336.5	336.0	68.2	59.0	9.2	(67.3)
Furniture and fixture	30.3	30.2	20.3	18.1	2.2	(0.5)
Office equipment	14.8	14.6	13.5	13.0	0.5	3.8
Plant & machinery	2,008.8	2,011.0	775.3	661.5	115.3	(273.9)
Computer equipment	10.1	10.1	9.6	9.4	0.1	1.0
Total	2,400.5	2,401.9	886.9	761.0	127.3	(336.9)

* Includes the impact of write-back of depreciation on account of change in the depreciation accounting method from written down value method to straight line method. (Refer note 2.1(a))

The total of Minimum Future Lease Payments under non-cancellable operating lease for various periods for assets stated above is as follows:

(Rs. in million)

Particulars	As at March 31, 2015*	As at March 31, 2014*
a) Receivable within 1 year	264.1	132.3
b) Later than 1 year but not later than 5 years	-	-
c) Later than 5 years	-	-

* The Lease term for the assets given on lease vide agreement for providing manufacturing facility, utilities and services of employees with PanEra Biotec Private Limited. As per the said agreement, during the period of usage, if any facility is used for manufacture of the Company's Vaccines other than those mentioned there in or the facility remains idle due to insufficiency of orders from the Company, no lease rental shall be payable by PanEra Biotec Private Limited for that relevant period.

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 is 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.52.3 million (Previous year Rs.61.4 million).

c) Total of future minimum lease payments under non-cancellable operating leases:

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
a) Payable within 1 year	1.2	8.3
b) Later than 1 year but not later than 5 years	1.7	2.3
c) Later than 5 years	47.7	48.3

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

38. a) The Company's interest in Joint Venture Companies is as follows:

S. No.	Name of the Company	Nature of relationship	Country of Incorporation	(%) Holding as on March 31, 2015	(%) Holding as on March 31, 2014
1.	Chiron Panacea Vaccines Private Limited (under liquidation)	Joint venture	India	50	50
2.	Adveta Power Private Limited	Joint venture	India	50	50

b) Aggregate interest of the Company in Assets, Liabilities, Revenue & Expenses in the jointly controlled entities are as follows:

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Current assets		
Cash and cash equivalents	40.9	37.9
Short term loans and advances	5.8	7.2
Other current assets	1.6	1.3
Non-current assets		
Capital work-in-progress	12.3	12.2
Intangible assets under development	0.0	0.0
Current liabilities		
Trade payables	-	0.0
Other current liabilities	0.5	0.3
Short- term provisions	0.7	1.3

(Rs. in million)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue	3.9	3.9
Employee benefits expense	0.5	0.7
Other expenses	0.7	0.7

c) The Company has 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 have desired and mutually agreed to an early termination of the Joint Venture Agreement. As per the dissolution agreement, the joint venture between both the partners has been terminated with effect from January 31, 2013. The liquidation proceedings of the Joint Venture Company have already commenced and are in progress as on March 31, 2015.

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 consolidated financial statements.

39. Employee Benefits

The Group has a defined benefit gratuity plan wherever applicable. Every employee who has completed five years or more of service gets a gratuity on departure 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, 2015	For the year ended March 31, 2014
Current service cost	13.3	19.7
Past service cost	-	-
Interest cost on benefit obligation	9.8	10.3
Expected return on plan assets	(8.6)	(8.9)
Net actuarial (gain)/loss recognised in the year on account of return on plan assets	5.1	(28.0)
Net benefit expense/(income)	19.7	(6.9)
Actual return on plan assets	(8.0)	(8.4)

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

Balance sheet

Details of provision for gratuity

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	127.7	115.3
Fair value of plan assets	92.3	95.0
Net obligation– unfunded	35.4	20.3

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

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Opening defined benefit obligation	115.3	128.2
Interest cost	9.8	10.3
Past service cost	-	-
Current service cost	13.3	19.7
Benefits paid	(15.3)	(14.4)
Actuarial Gain/ (losses) on obligation	4.6	(28.5)
Closing defined benefit obligation	127.7	115.3

Changes in the fair value of plan assets for gratuity are as follows:

(Rs. in million)

Particulars	As at March 31, 2015	As at March 31, 2014
Opening fair value of plan assets	95.0	100.8
Expected return	8.6	8.9
Contributions by employer	4.6	0.2
Benefits paid	(15.3)	(14.4)
Actuarial Gain /(losses)	(0.5)	(0.5)
Closing fair value of plan assets	92.3	95.0

The major categories of plan assets as a percentage of the fair value of total plan assets for gratuity are as follows:

Particulars	As at March 31, 2015	As at March 31, 2014
	%	%
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, 2015	As at March 31, 2014
	%	%
Discount rate	8.0	8.5
Expected rate of return on plan assets	9.0	8.8 to 8.9
Increase in compensation cost	5.0	5.0
Employee turnover:		
upto 30 years	10.0	10.0
above 30 years but upto 44 years	5.0	5.0
above 44 years	1.0	1.0

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, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit obligation	127.7	115.3	128.2	138.8	129.2
Plan assets	92.3	95.0	100.8	102.1	85.6
Deficit	35.4	20.3	27.4	36.7	43.6
Experience adjustments on plan liabilities-(Gain)/Loss	4.6	(28.5)	(21.2)	(9.3)	(10.2)
Experience adjustments on plan assets-(Gain)/Loss	(0.5)	(0.5)	0.4	4.1	(1.0)

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Defined Contribution Plan:	As at March 31, 2015	As at March 31, 2014
Contribution to provident fund and other funds charged to statement of profit and loss	42.0	36.8

The Company expects to contribute Rs.21.6 million (Previous year Rs.20.6 million) to gratuity fund in the next financial year.

40. Auditors' remuneration:

(Rs. in million)

Particulars	For the year ended March 31, 2015			For the year ended March 31, 2014		
	Parent Company	Subsidiaries	Joint Ventures	Parent Company	Subsidiaries	Joint Venture
As auditor						
- Audit fee	2.1	2.0	0.0	3.7	0.9	0.2
- Limited reviews fee	2.2	-	-	2.0	-	-
In other capacity						
- Management services	-	0.0	-	-	0.1	-
- Certification services	0.3	0.1	-	0.3	-	-
Reimbursement of expenses	0.5	-	-	0.5	-	-
Total	5.1	2.1	0.0	6.5	1.0	0.2
Tax Auditor*	0.2	0.0	0.0	0.2	-	0.0
Cost Auditor*	0.1	0.0	-	0.1	-	-

* Included in legal and professional charges

41. During the year 2013-14, the Company had paid managerial remuneration of Rs.37.5 million. The amount paid as managerial remuneration has exceeded the limits prescribed under Section 198 and 309 read with Part II of Schedule XIII to the Companies Act, 1956 by Rs.13.5 million due to unexpected losses during the previous year. Also, during the FY 2012-13 the Company paid managerial remuneration of Rs.37.2 million which exceeded the limits prescribed in aforesaid provisions of the Companies Act by Rs.13.2 million. During the FY 2013-14, the Company had filed applications to obtain approvals from Central Government in respect to excess remuneration paid for FY 13-14 and FY 12-13. Pending outcome of the application filed with the Central Government, no adjustments have been made in the financial statements.

42. During the year ended March 31, 2015, the Group has incurred losses of Rs.1,065.1 million (Previous year: Rs.1,121.3 million after adjusting exceptional income of Rs.1,770.9 million). Further, the Company's accumulated losses have resulted in erosion of more than fifty percent of its peak net worth calculated as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The continuous losses have also adversely affected the cash flows of the Company. These conditions, read with note 44 below, 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 the risk, which include supply to UNICEF/other customers of pentavalent vaccine; certain strategic alliances with foreign collaborators for supply of vaccines and pharma products including three collaboration agreements signed during the year ended March 31, 2015; Additionally, as explained in note 44 below, the management has successfully executed the MRA with the lenders of the Company. Management is confident that it will be able to comply with all key conditions and successfully implement the MRA. Based on the above measures and continuous efforts to improve the business, 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.

43. On account of continuous losses which has resulted into certain delays and defaults in repayment of loan installments have occurred, which are described below, along with interests on borrowings:

Loan particulars	Amount of total installment along with interest	Period of Installment/s	Status
Loan from Department of Biotechnology	32.4	March 2014 - March 2015	Not yet paid
Loan from Department of Science and Technology	5.3	September 2013 - September 2015	Not yet paid
Loan from Technology Development Board	5.0	January 2014 - January 2015	Not yet paid
State Bank of Travancore-Term Loan	587.3	June 2014 - March 2015	Not yet paid
State Bank of Travancore-Cash Credit	27.2	November 2013 - March 2015	Not yet paid
Loan from Directors	7.4	December 2013 - March 2015	Not yet paid
Loan from Radhika Heights Limited	32.2	January 2014 - March 2015	Not yet paid
Loan from Trinidhi Finance Private Limited	0.4	December 2013 - March 2015	Not yet paid
Loan from Bio-Med Private Limited	2.3	January 2015 - March 2015	Not yet paid
Loan from Radicura Pharmaceuticals Private Limited	1.5	January 2015 - March 2015	Not yet paid
Bank of Baroda - Term Loan	12.61	January 2015 - March 2015	Not yet paid
Bank of Baroda - Term Loan	21.1	January 2015 - February 2015	Not yet paid

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

44. During the year, the Company has executed a Corporate Debt Restructuring (CDR) scheme under the CDR mechanism of the Reserve Bank of India ('RBI'). In accordance with the approved CDR scheme and after attaining super-majority with all banks except one, the Company executed a Master Restructuring Agreement (MRA) with the lenders on December 27, 2014, with an effective date of October 1, 2013. The MRA, inter-alia, provides for waiver of certain existing obligations of the Company, restructuring of repayment terms for principal and interest, reduction/ adjustment in interest rates, conversion of outstanding interest amounts to loan, pledge of entire promoter shareholding as additional security to lenders, promoter undertaking for additional infusion of funds, monitoring oversight and certain restrictive covenants, as defined. The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the MRA, to the extent agreed with the banks. However, MRA implementation is subject to reconciliations with certain banks and completion of other terms and conditions.

45. During the year ended March 31, 2015, 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.202.0 million (Previous year Rs.196.8 million) as on March 31, 2015 is included under the head "Reserve and surplus".

46. The Company had given an advance of Rs.176.8 million (USD 3.4 million) in financial year 2007-08 pursuant to the agreements for acquiring certain properties from Ilyas & Mustafa Galadari Management Investment and Development L.L.C., U.A.E. ("Ilyas"). As per the said agreements, the properties were expected to be handed over in financial year 2008-09. However, due to inordinate delays in completion of project, properties could not be delivered to the Company in time. After extensive discussions and negotiations, the Company has entered into new agreements with them, as per which the Company will get 1 commercial unit and 8 residential units (having combined area more than that of properties agreed earlier) for a consideration equivalent to the advance given earlier. The possession of new properties is expected in financial year 2015-16. The Company believes that the market value of the properties is more than the advance given under the earlier agreements; therefore, no adjustment is required to be provided for in respect of the advance.

47. The Company avails CENVAT credit on input and input services used as per the provision of the relevant applicable laws. Balance with excise, custom etc. amounting to Rs.99.5 million under the head Loans and Advances, includes an amount of Rs.58.6 million which relates to accumulated amount of CENVAT credit availed by the Company on input services utilised by it. With the current level of excisable manufacturing activities, the Company utilises lesser amount of CENVAT credit as compared to the amount so accumulated every year of CENVAT credit on such input services. However, as per the provisions of service tax laws, there is no time limit on utilization of CENVAT credit availed. Therefore, based on future business plans, the Company is confident that it will be able to fully utilise the accumulated amount of CENVAT credit so availed by distributing it to its manufacturing units and utilizing it in subsequent years.

48. The assets of Rs.343.5 million (Previous year Rs.352.8 million) recognised by the Group as 'MAT Credit Entitlement' under the head 'Loans and advances' represents that portion of MAT liability, which can be recovered and set off in subsequent years based on provisions of Section 115JAA of the Income Tax Act, 1961. The management, based on the future profitability projections and other factors disclosed under note 42 and 44, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilise MAT credit assets as per the relevant provisions of the Income Tax Act, 1961. The management is confident that no losses are expected in this regard and accordingly no adjustment is required in the financial statements.

49. One of the subsidiary of parent Company, Radhika Heights Limited (RHL) along with its four subsidiaries had signed a term sheet with a developer dated September 03, 2012 for development of integrated township on its 108.713 acres Land situated in Gurgaon, Haryana. Since, RHL and its subsidiaries were new in this business after signed the Term Sheet they came to know that the developer has signed a Pro-Developer Term Sheet. RHL wanted to renegotiate the terms with the Developer, but the developer was not willing to re-negotiate the terms in fair and accurate manner as per market standards and was insisting that the old Terms Sheet was valid and binding and RHL had to adhere to the same. While the fresh negotiation were on, suddenly the Developer sent Arbitration Notice on dated December 16, 2013 to RHL, invoking Arbitration and filing Section 9 Petition with the Hon'ble District Court Gurgaon, and referred the matter to Arbitral Tribunal. The Hon'ble District Court vide its order dated February 12, 2014 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 has moved petition with the Hon'ble High Court at Chandigarh seeking cancellation of the stay. In response, the Developer appealed to the Hon'ble High Court for extension of the stay till the decision of Arbitration is granted. After hearing both sides, the Hon'ble High Court at Chandigarh continued the stay over land till the decision of Arbitral Tribunal. As both the Arbitrators of Bestech (Developer) and RHL were unable to finalise the Presiding Arbitrator with mutual consent, the High Court directed the parties to choose the Presiding Officer as per Hon'ble High Court suggestions and hence Arbitral Tribunal was constituted by the intervention of the Hon'ble High Court. In the Arbitral Tribunal hearings, Bestech (Developer) filed its claim which was replied by RHL and thereafter Developer filed its rejoinder to the claim. Also, RHL has filed Counter Claim against Bestech in Arbitral Tribunal which was replied by Bestech and thereafter RHL has filed its Rejoinder to the Counter Claim. Thereafter, parties have exchanged the affidavits of Acceptance and denial of the documents.

The management of the Group believes that the company has a higher chance of winning since the issues raised by the developer are unfounded and untenable. Liability, if any cannot be quantified at this point of time .

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

50. 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	116.11 %	5,527.1	61.2%	(652.3)
Parent Subsidiaries India				
NewRise Healthcare Private Limited	3.2%	153.2	16.6%	(176.7)
Radhika Heights Limited	57.4%	2,733.6	0.6%	(5.9)
Radicura Infra Limited	1.1%	51.0	0.3%	(2.8)
Sunanda Infra Limited	0.0%	(0.1)	(4.5)%	48.4
Nirmala BuildwellPrivate Limited	(0.1)%	(3.1)	0.1%	(0.7)
Cabana Construction Private Limited	(0.0)%	(1.9)	0.1%	(0.6)
Cabana Structures Limited	0.0%	0.2	0.0%	(0.0)
Nirmala organic farms and Resort Limited	0.2%	9.9	0.0%	(0.1)
Parent Subsidiaries Foreign				
Rees Investment Limited	(17.8)%	(849.2)	17.4%	(185.2)
Kelisia holding limited	(9.5)%	(451.9)	13.8%	(147.5)
Panacea Biotec (International) SA	(1.6)%	(75.0)	(0.1)%	0.8
Panacea Biotec (Germany) GmbH	(4.7)%	(221.5)	4.1%	(44.2)
Panacea Biotec GmbH	(0.0)%	(1.6)	0.0%	(0.0)
Minority Interest in all subsidiaries	0.7%	34.2	(1.7)%	17.9
Associates (Investment as per the equity method)				
PanEra Biotec Private Limited	2.1%	100.9	5.5%	(58.1)
Joint Ventures				
Chiron Panacea Vaccine Private Limited	1.0%	45.9	(0.1)%	1.4
Adveta Power Private Limited	0.3%	12.5	0.0%	-
Intercompany eliminations	(40.4)%	(2,304.0)	(13.2)%	140.68

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

51. The four subsidiaries namely Nirmala Buildwell Private Limited, Cabana Construction Private Limited, Radicura Infra Limited and Sunanda Infra Limited had purchased land at village Harsaru, District, Gurgaon, Haryana. The said land was purchased and capitalised as Fixed Asset by the aforesaid companies. During the year, main object clause of the Memorandum of Association of these companies were altered to include construction and development activities. Considering the present activities and future business plans of these companies, the Board of Directors of the sad companies have decided to convert the said land to inventory (Work in Progress). The same accordingly has been shown under the head current assets in the respective balance sheets of these companies as stock in trade.

During the financial year 2011-12, Nirmala Buildwell Private Limited, Cabana Construction Private Limited, Radicura Infra Limited and Sunanda Infra Limited had revalued the said land. Purchase price of the land as recorded in the financial statements of the aforesaid subsidiary companies was Rs.295.6 million, Rs.306.2 million, Rs.324.0 million and Rs.212.7 million respectively and which were revalued upwards by Rs.49.6 million, Rs.38.9 million, Rs.47.5 million and revalued downwards by Rs.48.6 million, respectively. Upward valuation was recorded under the head 'Revaluation reserve' and downward revaluation was charged to profit and loss account. In accordance with the accounting policies of these companies and as per provisions of AS-2, Inventories are valued at lower of cost and net realizable value, hence land has been converted into inventory at purchase price of Rs.295.6 million, Rs.306.2 million, Rs.324.0 million and Rs.212.7 million by Nirmala Buildwell Private Limited, Cabana Construction Private Limited, Radicura Infra Limited and Sunanda Infra Limited, respectively. Accordingly, the Reserves and Surplus of the Companies have been reduced by Rs.49.6 million, Rs.38.9 million, Rs.47.5 million and increased by Rs.48.6 million respectively. Consequently, reduction in value of land has been charged against the revaluation reserve and increase in value of land has been recorded as "Income on reversal of revaluation on land" under the head 'Other income'.

On the date of conversion i.e. February 16, 2015, the aforesaid

Summary of significant accounting policies and other explanatory information

to the consolidated financial statements for the year ended March 31, 2015

subsidiary companies obtained the valuation of land from a certified valuer who has certified that the market value of the land were Rs.500.3 million, Rs.522.0 million, Rs.523.1 million and Rs.240.1 million, respectively.

52. The Company has received Research & Development (R&D) fees of Rs.149.9 million and Rs.47.3 million from a customer during quarters ended June 30, 2014 and December 31, 2014, respectively and has accounted for these as income. Such R&D fees are non-refundable subject to certain pre-conditions (as defined in the agreement) being met by the Company. As the product is already available in the domestic market, the Company is reasonably certain of meeting the pre-conditions and therefore believes that the said fees should be accounted for as income.

53. The statutory auditors of NewRise Healthcare Private Limited, a subsidiary of the Company, and PanEra Biotec Limited, an associate of the Company, in their respective audit reports have qualified trade payables amounting Rs.142.5 million and outstanding capital advances amounting Rs.19.5 million, which were subject to confirmations and reconciliations at the year end. The management is in the process of reconciling these balances with its vendors and is of the opinion that the result of reconciliations will not have any material impact on the consolidated financial statements of the Company.

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.

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Place : New Delhi
Dated : May 30, 2015

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)

Naresh Chand Gupta
G.M. Accounts & Taxation

Devender Gupta
Chief Financial Officer &
Head Information Technology

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Consolidated Cash Flow Statement

Annexed to the Balance Sheet for the Year ended March 31, 2015

(Rs. in million)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
Cash Flow from Operating Activities:				
Loss before tax		(994.0)		(1,109.6)
Adjustment to reconcile profit before tax to net cash flows				
Depreciation and amortisation expense	672.3		711.0	
Provision for doubtful debts and advances	2.7		171.0	
Bad debts written off	0.0		0.5	
Loss on sale/ discard of fixed assets (net)	1.3		95.5	
Loss on sale of export incentives	1.7		-	
Unrealized foreign exchange loss/(gain) (net)	259.0		21.8	
Liabilities/ provisions no longer required written back	(150.9)		-	
Provision for liquidation expenses on joint venture company	-		0.1	
Gratuity expense/(income)	21.2		(5.4)	
Wealth Tax	5.1		-	
Income on reversal of revaluation on land	(48.7)		-	
Exceptional items				
Surplus on account of change in depreciation method	-		(1,770.9)	
Interest expense	969.7		1,445.9	
Gain/loss on sale of non current investment	-		8.4	
Interest income	(36.6)		(73.5)	
Dividend income	(1.2)		(3.1)	
Gain/loss on sale of current investment	-		(2.1)	
		1,695.6		599.2
Operating profit before working capital changes		701.6		(510.4)
Movements in working capital				
Decrease/(Increase) in trade receivables	(48.3)		(406.4)	
Decrease/(Increase) in inventories	352.4		481.2	
Decrease/(Increase) in other current assets	(20.7)		(10.0)	
Decrease/(Increase) in short-term loans and advances	(211.5)		95.9	
Decrease/(Increase) in long-term loans and advances	107.0		12.0	
Increase/(Decrease) in trade-payables	(303.7)		759.9	
Increase/(Decrease) in other current liabilities	(162.0)		136.1	
Increase/(Decrease) in other long term liabilities	(10.3)		(6.4)	
Increase/(Decrease) in long-term provisions	(21.7)		0.4	
Increase/(Decrease) in short-term provisions	46.0		9.5	
		(272.8)		1,072.2
Cash generated from/ (used in) operations		428.8		561.8
Direct taxes paid (net of refunds)		56.5		24.5
Net cash flow from/ (used in) operating activities (A)		372.3		537.3
Cash flow from investing activities				
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(78.3)		(559.6)	
Investments in bank deposits having original maturity of more than three months)	(282.0)		1.5	
Purchase of non-current investments	(0.5)		(7.9)	
Purchase of current investments	(49.7)		61.9	
Proceeds from Sale of fixed assets	2.5		53.1	
Proceeds from Sale of non-current investments	-		(8.4)	
Interest received	33.1		80.3	
Dividends received	1.2		3.1	
Net cash flow from/ (used in) investing activities (B)		(373.7)		(376.0)
Cash flow from financing activities				
Proceeds from short-term borrowings	863.8		625.1	
Repayment of short term borrowings	(683.2)		(139.1)	
Proceeds from long-term borrowings	10.7		203.3	
Repayment of long term borrowings	-		(4.0)	
Proceeds from deposits from public	-		188.0	
Repayment of deposits from public	(130.2)		(387.4)	
Proceeds from loan from related party	-		179.2	
Proceeds from loan from Associate	49.4		-	
Interest paid	(242.9)		(967.7)	
Group's liability towards preference share capital	127.1		-	
Change in minority interest	(2.7)		-	
Share application money pending for allotment	1.0		-	
Net cash flow from/ (used in) financing activities (C)		(7.0)		(302.6)
Net increase/ (decrease) in cash & cash equivalents (A+B+C)		(8.4)		(141.3)
Effect of exchange differences on cash and cash equivalents held in foreign currency		(0.0)		0.2
Cash & cash equivalents at the beginning of the year		208.4		349.5
Cash & cash equivalents at the end of the year		200.0		208.4
Components of cash and cash equivalents				
Cash Balance on Hand		1.9		1.8
Balances with scheduled banks :				
a) on Current accounts		179.5		205.3
b) on Unpaid dividend accounts*		0.4		0.6
c) on Fixed deposits		324.1		39.4
d) on Exchange earner foreign currency current accounts		18.2		0.7
Total cash & cash equivalents (note 17)		524.1		247.8
Less: Fixed deposits not considered as cash equivalents		(324.1)		(39.4)
Cash & cash equivalents in cash flow statement		200.0		208.4

* The company can utilize these balances only toward settlement of the respective unpaid dividend liabilities.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Anupam Kumar**
Partner

Place : New Delhi
Dated : May 30, 2015

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)

Naresh Chand Gupta
G.M. Accounts & Taxation

Devender Gupta
Chief Financial Officer &
Head Information Technology

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Notes

Panacea Biotec

Innovation in support of life

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