



Panacea Biotec
Innovation in support of life

30th May, 2018

The Manager, Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Fax No.:022-26598237 / 38
NSE Symbol : PANACEABIO

BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Fax No.:022-22721919, 3121
BSE Scrip Code: 531349

- Reg.:i. Audited Financial Results (Standalone and Consolidated) for the Quarter / Year ended 31st March, 2018**
ii. Passing over of Dividend for the financial year 2017-18

Dear Sir,

In continuation to our letter dated 16th May, 2018 and pursuant to Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”), we would like to inform you that the Board of Directors of the Company has, at its meeting held today, i.e. 30th May, 2018, inter-alia, considered and approved the Audited Financial Results (Standalone and Consolidated) of the Company for the Quarter and Year ended 31st March, 2018. The same were also reviewed by the Audit Committee in its meeting held on 29th May, 2018.

Pursuant to Regulation 33 of SEBI Listing Regulations, 2015, we enclose the following:

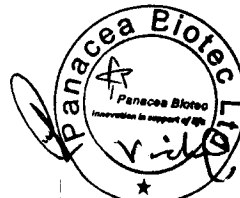
- (i) Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2018.
- (ii) Auditors’ Report on the Audited Financial Results - Standalone and Consolidated.

Further, in compliance with the provisions of Regulation 33(3)(d) of SEBI Listing Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27.05.2016, Statement on impact of Audit Qualifications for the Financial Year ended 31st March, 2018 (Standalone and Consolidated) is attached.

Further, pursuant to Regulation 46(2)(l) of SEBI Listing Regulations, 2015, the abovesaid financial results are being uploaded on the website of the Company i.e. www.panaceabiotec.com.

Further, pursuant to Regulation 47(1)(b) of SEBI Listing Regulations, 2015, the Extract of Statement of Audited Financial Results in the Format as prescribed in Annexure I of SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05.07.2016 is being sent for publication in newspapers.

Further, in view of losses, the Board of Directors has not recommended any dividend on the Preference as well as Equity Shares of the Company for the financial year ended 31st March, 2018.



Panacea Biotec Ltd.

CIN: L33117PB1984PLC022350

Registered Office: Ambala-Chandigarh Highway, Lalru - 140 501, Punjab, India. Ph.: +91-1762-505900, Fax: +91-1762-505906.
e-mail: corporate@panaceabiotec.com website: www.panaceabiotec.com

Contd...2/-

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

: 2 :

The meeting of the Board of Directors commenced at 11:30 A.M. and concluded at 11.30 P.M.

We request you to kindly bring the above information to the notice of your members.

Thanking you,
Yours truly,
for Panacea Biotec Ltd.


Vinod Goel
Group CFO and Head Legal
& Company Secretary



Encl. : As above.

(Rs. in Lakh except per share)

Particulars	Extract of Standalone and Consolidated Financial Results (Audited) for the Quarter and Year Ended March 31, 2018					
	Standalone quarter ended		Standalone year ended		Consolidated year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Total income from operations	16,756	17,174	57,993	54,403	59,616	55,795
Net Profit / (Loss) for the period (before tax, exceptional and/or extraordinary item)	(532)	1,505	(6,124)	(4,650)	(6,614)	(5,959)
Net Profit / (Loss) for the period before tax (after exceptional and/or extraordinary item)	(532)	(2,249)	(6,124)	(8,404)	(6,614)	(5,188)
Net Profit / (Loss) for the period after tax (after exceptional and/or extraordinary item) (for continuing operations)	(855)	(2,180)	(7,188)	(7,266)	(7,600)	(4,090)
Total comprehensive income for the period (comprising of profit/ (loss) for the period (after tax) and other comprehensive income (after tax))	(997)	(2,257)	(7,330)	(7,343)	(6,970)	(6,037)
Equity Share Capital (face value of Re.1 per share)	613	613	613	613	613	613
Earning per Share (of Re. 1 each) (for continuing and discontinued) (annualised, other than Quarter)						
Basic :	(1.40)	(3.56)	(11.74)	(11.86)	(12.41)	(6.68)
Diluted:	(1.40)	(3.56)	(11.74)	(11.86)	(12.41)	(6.68)

Notes:

- The above is an extract of the detailed format of Quarterly and Year End Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Year End Financial Results is available on the Stock Exchanges websites, NSE- <http://www.nseindia.com>, BSE- <http://www.bseindia.com> and is also available on the Company's website, <http://www.panaceabiotec.com>.
- The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on May 29, 2018 and May 30, 2018 respectively.
- The Company has adopted Indian Accounting Standards ("IND-AS") effective April 1, 2017 (transition date being April 1, 2016) and accordingly, the financial results for the quarter and year ended March 31, 2018 have been prepared in accordance with the recognition and measurement principles laid down in the IND-AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The impact of transition has been accounted for in the retained earnings as at April 01, 2016 and the results for the quarter and year ended March 31, 2017 have been restated accordingly.
- Previous period / year amounts have been regrouped/ reclassified to make them comparable with those of current period/year.

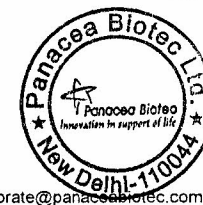
Place: New Delhi
Date: May 30, 2018

Panacea Biotec Limited

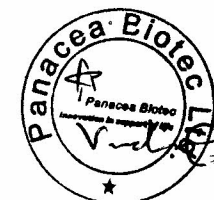
Regd. Office : Ambala-Chandigarh Highway, Lalru- 140501, Punjab

CIN: L33117PB1984PLC022350 - Ph. No. 91-11-41679000, Fax: 91-11-41679070, Website: <http://www.panaceabiotec.com>, E-mail: Corporate@panaceabiotec.com

For and on behalf of the Board



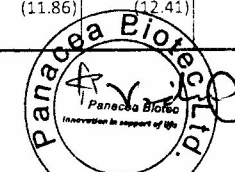
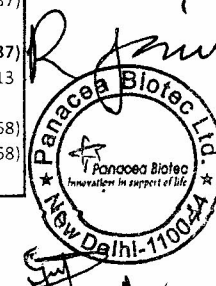
R. Jain
Dr. Rajesh Jain
Managing Director



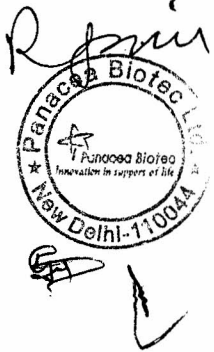
Statement of Standalone and Consolidated Financial Results (Audited)
for the Quarter and Year Ended March 31, 2018

(Rs. in Lakh except per share)

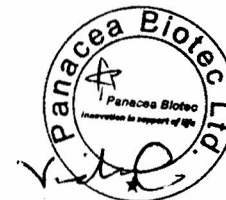
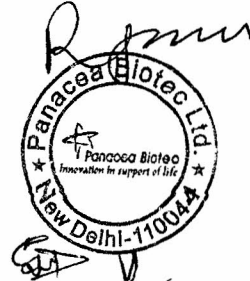
S.No	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		March 31, 2018*	December 31, 2017	March 31, 2017*	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
I	Income:							
	a) Revenue from operations	16,756	15,216	17,174	57,993	54,403	59,616	55,795
	b) Other income	1,266	189	773	1,762	5,366	823	4,660
	Total Income	18,022	15,405	17,947	59,755	59,769	60,439	60,455
II	Expenditure:							
	a) Cost of raw and packing materials consumed *	5,442	4,810	4,316	17,941	15,701	17,963	13,680
	b) Purchase of traded goods	199	681	356	1,835	2,162	1,835	2,162
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	244	(479)	1,041	(76)	(980)	(1,073)	(890)
	d) Excise duty	-	-	472	337	1,394	337	1,394
	e) Employee benefit expenses	3,903	3,507	2,777	13,674	13,221	15,159	14,812
	f) Depreciation and amortisation expenses	1,375	1,449	1,616	5,705	6,615	5,853	6,795
	g) Finance cost	2,571	2,510	2,511	10,323	10,350	10,058	10,093
	h) Other expenditure (net)	4,820	3,666	3,353	16,140	15,956	16,942	18,395
	Total expenses	18,554	16,144	16,442	65,879	64,419	67,074	66,441
	Profit/(Loss) before share of joint venture, exceptional and extra-ordinary items and tax (I-II)	(532)	(739)	1,505	(6,124)	(4,650)	(6,635)	(5,986)
III	Share of profit/ (loss) of a joint venture accounted for using equity method	-	-	-	-	-	21	27
IV	Profit/(Loss) before exceptional and extra-ordinary items and tax (II+III)	(532)	(739)	1,505	(6,124)	(4,650)	(6,614)	(5,959)
V	Exceptional items	-	-	(3,754)	-	(3,754)	-	771
VI	Profit/(Loss) before Tax (IV+V)	(532)	(739)	(2,249)	(6,124)	(8,404)	(6,614)	(5,188)
VII	Tax expense:							
	a) Current tax	-	-	-	-	-	109	142
	b) Deferred tax	323	232	(69)	1,064	(1,138)	877	(1,240)
	Total tax expenses	323	232	(69)	1,064	(1,138)	986	(1,098)
VIII	Net Profit/(Loss) for the period (for continuing operations) (VI-VII)	(855)	(971)	(2,180)	(7,188)	(7,266)	(7,600)	(4,090)
IX	Profit/ (loss) from discontinued operations	-	-	-	-	-	-	(1,530)
X	Net Profit/(Loss) for the period (VIII+IX)	(855)	(971)	(2,180)	(7,188)	(7,266)	(7,600)	(5,620)
XI	Other comprehensive income							
	a) i) Items that will not be reclassified to Profit or Loss	(218)	-	(118)	(218)	(118)	(218)	(122)
	ii) Income tax related to above	76	-	41	76	41	76	42
	b) i) Items that will be reclassified to Profit or Loss	-	-	-	-	-	772	(337)
	ii) Income Tax related to above	-	-	-	-	-	-	-
XII	Total comprehensive income for the period (X+XI)	(997)	(971)	(2,257)	(7,330)	(7,343)	(6,970)	(6,037)
	Paid-up equity share capital	613	613	613	613	613	613	613
	Earning per share for the period (of Re. 1/- each), (not annualised)							
	Basic (in Rs.)	(1.40)	(1.58)	(3.56)	(11.74)	(11.86)	(12.41)	(6.68)
	Diluted (in Rs.)	(1.40)	(1.58)	(3.56)	(11.74)	(11.86)	(12.41)	(6.68)
	(* Refer note 5)							



Statement of Standalone and Consolidated Financial Results (Audited) for the Quarter and Year Ended March 31, 2018							
Audited Segment-wise Revenue, Results and Capital Employed							
(Rs. in Lakh)							
Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
a) Segment revenue							
(a) Vaccines	6,504	4,671	7,682	18,632	16,490	18,682	16,412
(b) Formulations	10,246	9,756	8,898	38,395	37,001	39,968	38,471
(c) Research & development	6	789	594	966	912	966	912
(d) Health management	-	-	-	-	-	-	-
(e) Real estate	-	-	-	-	-	-	-
(f) Unallocated	-	-	-	-	-	-	-
Sub total	16,756	15,216	17,174	57,993	54,403	59,616	55,795
Less: Inter segment revenue	-	-	-	-	-	-	-
Total segment revenue	16,756	15,216	17,174	57,993	54,403	59,616	55,795
b) Segment results							
Profit (+)/ loss (-) before tax and interest							
(a) Vaccines	1,650	478	2,737	1,471	2,315	1,755	1,365
(b) Formulations	4,207	2,914	2,607	13,103	11,834	13,322	12,269
(c) Research & development	(1,201)	(492)	(777)	(4,086)	(4,773)	(4,086)	(4,773)
(d) Health management	-	-	-	-	-	-	3
(e) Real estate	-	-	-	-	-	(84)	(370)
Sub total	4,656	2,900	4,567	10,488	9,376	10,907	8,494
Less : i) Finance cost	2,572	2,510	2,511	10,323	10,350	10,058	10,093
ii) Other unallocated expenditure net of unallocated income	2,616	1,129	4,305	6,289	7,430	7,463	3,589
Total Profit before tax	(532)	(739)	(2,249)	(6,124)	(8,404)	(6,614)	(5,188)



<div> <div>Panacea Biotec</div> <div>Innovation in support of life</div> </div> <div>Statement of Standalone and Consolidated Financial Results (Audited)</div> <div>for the Quarter and Year Ended March 31, 2018</div>							
Audited Segment-wise Revenue, Results and Capital Employed							
(Rs. in Lakh)							
Particulars	Standalone					Consolidated	
	Quarter Ended			Year Ended		Year Ended	
	March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
c) Capital employed							
Segment assets							
(a) Vaccines	53,118	52,948	63,301	53,118	63,301	53,452	56,798
(b) Formulations	41,894	41,219	40,624	41,894	40,624	43,924	41,670
(c) Research & development	21,084	21,101	22,050	21,084	22,050	21,084	22,050
(d) Health management	-	-	-	-	-	-	15,983
(e) Real estate	-	-	-	-	-	25,280	25,605
(f) Unallocated	51,253	52,767	52,200	51,253	52,200	17,017	17,908
Sub total	167,349	168,035	178,175	167,349	178,175	160,757	180,014
Segment liability							
(a) Vaccines	7,114	6,079	4,643	7,114	4,643	8,669	6,099
(b) Formulations	16,500	16,561	16,628	16,500	16,628	17,879	17,000
(c) Research & development	2,573	2,911	3,208	2,573	3,208	2,573	3,208
(d) Health management	-	-	-	-	-	-	15,951
(e) Real estate	-	-	-	-	-	2,861	3,052
(f) Unallocated	102,352	102,664	108,114	102,352	108,114	98,200	98,082
Sub Total	128,539	128,215	132,593	128,539	132,593	130,182	143,392
Capital employed (Segment assets - segment liabilities)							
(a) Vaccines	46,004	46,869	58,658	46,004	58,658	44,783	50,699
(b) Formulations	25,394	24,658	23,996	25,394	23,996	26,045	24,670
(c) Research & development	18,511	18,190	18,842	18,511	18,842	18,511	18,842
(d) Health management	-	-	-	-	-	-	32
(e) Real estate	-	-	-	-	-	22,419	22,553
(f) Unallocated	(51,099)	(49,897)	(55,914)	(51,099)	(55,914)	(81,183)	(80,174)
Total capital employed	38,810	39,820	45,582	38,810	45,582	30,575	36,622



Statement of Standalone and Consolidated Financial Results (Audited)
for the Quarter and Year Ended March 31, 2018

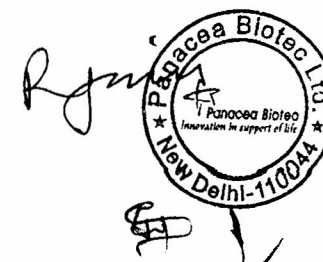
Statement of Assets & Liabilities

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Audited	Audited	Audited	Audited
ASSETS				
(1) Non-current assets				
a) Property, plant and equipment	88,656	93,608	94,287	99,362
b) Capital work in progress	476	597	752	870
c) Other Intangible assets	437	594	520	685
d) Intangible assets under development	3,240	2,171	3,241	2,171
e) Goodwill	-	-	90	90
f) Investment accounted for using equity method	-	-	518	506
g) Financial Assets				
i) Investment	34,488	34,488	7	195
ii) Loans	99	99	104	105
iii) Others financial asset	25	15	527	517
h) Deferred tax assets (net)	2,199	3,187	1,966	2,950
i) Non-current tax asset	144	98	491	209
j) Other non-current assets	2,220	2,380	2,219	2,381
Sub-total	131,984	137,237	104,722	110,041
(2) Current assets				
a) Inventories	14,909	14,060	33,421	31,555
b) Financial assets				
i) Investments	-	-	203	27
ii) Trade receivables	14,227	17,580	13,601	14,217
iii) Cash and cash equivalents	652	250	1,644	910
iv) Bank balance other than above	527	472	680	503
v) Loans	1,499	1,032	3,531	1,048
vi) Others financial assets	517	494	517	495
c) Other current assets	3,034	6,482	2,438	4,589
Sub-total	35,365	40,370	56,035	53,344
Assets classified as held for sale	-	568	-	16,629
Total Assets	167,349	178,175	160,757	180,014



<div>Panacea Biotech Innovation in support of life</div> <div>Statement of Standalone and Consolidated Financial Results (Audited) for the Quarter and Year Ended March 31, 2018</div>				
Statement of Assets & Liabilities				
(Rs. in Lakh)				
Particulars	Standalone		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Audited	Audited	Audited	Audited
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	613	613	613	613
b) Other Equity	38,197	44,969	30,257	34,955
Sub-total	38,810	45,582	30,870	35,568
Non-controlling interest	-	-	(295)	1,054
LIABILITIES				
(1) Non-current liabilities				
a) Financial Liabilities				
i) Borrowings	57,071	71,406	57,071	71,406
b) Deferred tax liabilities (net)	-	-	926	1,109
c) Provisions	2,512	1,720	2,654	1,836
d) Other non-current liabilities	429	477	429	477
(2) Current liabilities				
a) Financial Liabilities				
i) Borrowings	19,382	21,965	16,488	19,071
ii) Trade payables	24,184	22,675	27,719	24,860
iii) Other financial liabilities	22,783	12,137	22,227	11,810
b) Other current liabilities	1,499	2,068	1,973	2,191
c) Current tax liabilities (net)	-	-	1	1
d) Provisions	679	145	694	880
Sub-total	128,539	132,593	129,887	134,695
Liabilities directly associated with assets classified as held for sale	-	-	-	9,751
Total Equity and Liabilities	167,349	178,175	160,757	180,014

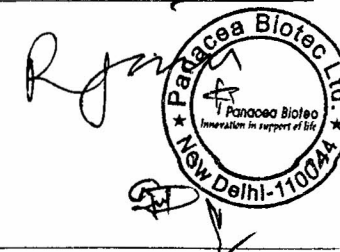


Notes:

1. The above audited financial results of Panacea Biotec Limited ('the Company') were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on May 29, 2018 and May 30, 2018, respectively.
2. The Company has adopted Indian Accounting Standards ("IND-AS") effective April 01, 2017 (transition date being April 1, 2016). Accordingly, the financial results for the Quarter and Financial Year ended March 31, 2018 have been prepared in accordance with the recognition and measurement principles laid down in the IND-AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The impact of transition has been accounted for in the retained earnings as at April 01, 2016 and the results for the quarter and financial year ended March 31, 2017 have been restated accordingly.
3. The consolidated financial results of the Company have been prepared by consolidating the Company's financial results for the respective periods with the audited financial results of the following subsidiaries (collectively, the Company and these subsidiaries hereinafter referred to as the Group):
 - (i) Indian subsidiary companies: Radhika Heights Limited, Cabana Construction Private Limited, Cabana Structures Limited, Nirmala Buildwell Private Limited, Nirmala Organic Farms & Resorts Private Limited, Radicura Infra Limited and Sunanda Infra Limited;
 - (ii) Overseas subsidiaries: Rees Investments Limited, Panacea Biotec (International) SA and Panacea Biotec Germany GmbH;
 - (iii) Joint Venture: Chiron Panacea Vaccines Private Limited (under liquidation); and
 - (iv) Enterprises over which the Company is exercising control in terms of IND-AS: PanEra Biotec Private Limited (considered as Associate under Indian GAAP) and Adveta Power Private Limited (considered as Joint Venture under Indian GAAP).
4. The revenue from operations for the period upto June 30, 2017 are reported inclusive of excise duty, in accordance with the requirement of IND-AS. Consequent to the implementation of Goods and Service Tax ("GST") in India w.e.f. July 01, 2017, the revenue from operations for the Quarter ended March 31, 2018 and December 31, 2017 are net of GST in compliance with the requirement of IND-AS. Accordingly, the revenue from operations for the Quarter and Financial Year ended March 31, 2018 are not comparable with the amounts reported for the corresponding previous periods/annual results.
5. Figures for the quarters ended March 31, 2018 and March 31, 2017 represent the balancing figures between the audited figures for the full financial year and published year to date figures upto the third quarter of the respective financial years, which had been subject to limited reviews.
6. Reconciliation of profit/ loss between IND-AS and Indian GAAP for the quarter and the financial year ended March 31, 2017 is as follows:

(Rs. in Lakh)

Particulars	Standalone		Consolidated
	For the quarter ended March 31, 2017 (see note 5)	For the year ended March 31, 2017	For the year ended March 31, 2017
As per Indian GAAP	(2,549)	(8,625)	(6,554)
IND-AS Adjustments:			
a) Adjustment on effective interest rates on borrowings	38	(118)	(118)
b) Entity previously accounted for as JV/Associates now considered as subsidiary for consolidation	---	---	(521)
c) Adjustment of grant income	(56)	44	44
d) Impact of expected credit loss policy	(36)	(29)	(29)
e) Depreciation adjustment	(12)	(44)	(44)
f) Actuarial gain/(loss) reclassified to other comprehensive income	117	117	122
g) Deferred Tax adjustments	318	1,389	1,480
Total Profit	(2,180)	(7,266)	(5,620)
h) Other Comprehensive Income (net of tax)	(77)	(77)	(417)
Total Comprehensive Income as per IND-AS	(2,257)	(7,343)	(6,037)



Reconciliation of Equity between IND-AS and Indian GAAP

(Rs. in Lakh)

Particulars	For the year ended March 31, 2017	
	Standalone	Consolidated
As per Indian GAAP	46,452	39,739
IND-AS Adjustments:		
a) Adjustment on effective interest rates on borrowings	46	46
b) Entity previously accounted for as JV/Associates now considered as subsidiary for consolidation	---	(736)
c) Adjustment of grant income	44	44
d) Impact of expected credit loss policy	(69)	(69)
e) Depreciation adjustment	(44)	(44)
f) Financial liabilities at amortised cost	(847)	(847)
g) Additional NCI allocated	---	(109)
h) Deferred tax adjustments	---	(1,402)
Total Equity as per IND-AS	45,582	36,622

7. During the quarter under review, the Company has:

- executed a collaboration arrangement with signing of two long term agreements with Serum Institute of India Pvt. Ltd. ("SII") and SII's wholly owned subsidiary, Bilthovan Biologicals B.V. ("BBIO"). Under the collaboration, (i) SII will ensure supply of IPV bulk, an important constituent of the fully liquid Whole cell Pertussis (wP) and Salk based Injectable Polio Vaccine (IPV) based Hexavalent vaccine (DTwP-HepB-Hib-IPV) to Panacea Biotech from BBIO; (ii) SII is also entitled to manufacture and sell hexavalent vaccine; and (iii) in next 2 years the Company and SII will work together to get this Hexavalent Vaccine introduced in the National Immunization Program of Govt. of India and developing countries by working closely with key stakeholders including national governments, WHO, GAVI, Bill and Melinda Gates Foundation and other United Nation Agencies, etc.
- received Establishment Inspection Report ('EIR') from the U.S. Food & Drug Administration ('USFDA') indicating the formal closure of the Inspection conducted by USFDA, at its Pharmaceutical Formulation Facility for Oncology Parenteral and Oral Solids Dosage at Malpur, Baddi, District Solan, Himachal Pradesh, India.

8. External Commercial Borrowing ('ECB') from Bank of India ('BOI'): BOI has classified the ECB of US\$ 25 million as non-performing in view of non-payment of the first installment of US\$ 8.33 million. The Company is already in process of raising funds, by way of issue of equity shares and/or other securities as approved by its shareholders through postal ballot on October 25, 2017, from which this overdue amount will be cleared.

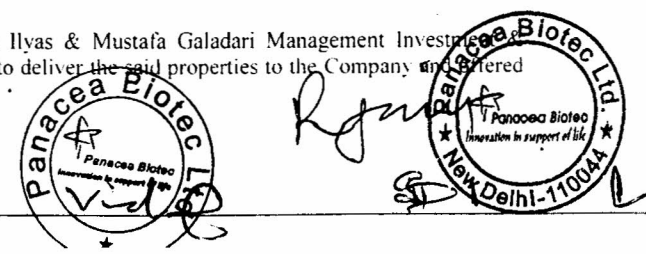
9. With respect to the observations of the auditors in their report on the above results:

- Corporate Debt Restructuring:** During financial year 2014-15, the Company was sanctioned a Corporate Debt Restructuring ("CDR") scheme under the CDR mechanism of the Reserve Bank of India ("RBI") after attaining super-majority from its lender banks ("CDR Lenders"). The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the Master Restructuring Agreement ("MRA") as per CDR scheme, to the extent agreed with the banks. In its meeting held on May 22, 2018, the CDR Lenders (other than Indian Overseas Bank) have informed the Company that they are considering the CDR scheme as failed CDR and exit from CDR. Consequently, the CDR Lenders have classified the Company's account as non-performing asset due to non-compliance with the pending conditions but not due to default for payment of principal/ interest as per agreed terms of CDR. At the year end, the outstanding principal and interest by the Company to CDR Lenders amounts to Rs 73,154 lakh (2017: Rs 79,583 lakh). At the year end, as per books of the accounts of the Company, there are no reconciling items between the outstanding balance of principal / interest with the CDR Lenders except for with Edelweiss Asset Reconstruction Company Limited ("EARC") whose balance as per books of the Company stands at Rs. 11,356 Lakh (2017: Rs 12,272 lakh) whereas the said lender has claimed balance of Rs. 19,612 Lakh (2017: Rs 19,694 Lakh), which in Company's view is inaccurate and misleading and therefore has been disputed by the Company.

The CDR Lenders have requested the Company to expedite completion of the process of raising funds through equity dilution and / or refinancing as per the timelines shared. Completion of the pending terms and conditions are in progress and the management is confident that it will be able to comply with all key pending conditions within the aforesaid timeline.

Based on the management's evaluations and independent legal advice obtained, the Company believes that the Company will be able to resolve these matters favorably in due course without materially impacting the recognition, measurement, classification and disclosures presented in these financial results for its obligations to the CDR Lenders. Accordingly, no adjustments are considered necessary in the books of accounts at this stage.

- During the financial year 2007-08, the Company had given an advance of Rs. 1.768 lakh pursuant to the agreement with Ilyas & Mustafa Galadari Management Investments Development (L.L.C.), U.A.E. ("the Developer") for purchase of certain immoveable properties in Dubai. The Developer failed to deliver the said properties to the Company and entered



other properties under construction in lieu of the said properties. Owing to continuous delays in completion of construction, the Company has initiated legal recourse and issued a legal notice to the Developer.

During the quarter ended December 31, 2017, with a view to restructure the Company's debt obligations and reduce its interest outlay, the board of directors had approved the assignment of its receivables from the Developer to its wholly owned subsidiary viz. Radhika Heights Ltd. (RHL) in lieu of adjustment of part of RHL's loan payable by the Company, subject to the applicable provisions of the Foreign Exchange Management Act, 1999 as amended and other applicable laws, if any. The process of assigning the said receivable to RHL is in progress and is expected to be completed in due course.

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

- c. In view of absence of profits during financial years 2013-14 and 2012-13, total remuneration paid to the Managing/ Joint Managing and Whole time Directors had exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 by Rs. 291 lakh for the said years. Further, because of non-compliance to one of the conditions of part II Section II of Schedule V to the Companies Act, 2013, the remuneration amounting to Rs. 26 lakh paid to a whole time director during the year ended March 31, 2016 and remuneration amounting to Rs. 430 lakh paid to six directors (Managing/ Joint Managing and Whole time Directors) during the year ended March 31, 2017 required approval of the Central Government and the Company had filed the necessary applications in this regard. However, the Company's applications for approval of the aforesaid excess remuneration have not been approved by the Central Government and consequently the Company is required to recover the excess amount thus paid for the said years unless the recovery thereof is waived by the Central Government. The Company has also paid managerial remuneration amounting to Rs. 417 lakh during the financial year ended March 31, 2018 for which the Company required prior approval of the Central Government. For a thorough reconsideration of the matter, the Company has preferred to submit new applications to the Central Government for waiver of recovery of excess remuneration paid in respect of aforesaid periods and is also in the process of completing the related procedural formalities. Pending the decision of the Central Government, the Company has recorded an amount of Rs. 1,164 lakh (2017: 747 Lakh) as recoverable from such directors towards such excess remuneration paid. Based on management's assessment and legal advice obtained, the Company is confident of a favorable outcome for its applications.
- d. For the financial year ended March 31, 2018, the Company has incurred a loss of Rs.7,188 lakh (2017: loss of Rs.7,266 lakh). The continuous losses have adversely affected the cash flows of the Company. These conditions, read with notes 8, and 9(a) above, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company has undertaken several measures to mitigate this risk, which include scaling up revenues of hexavalent vaccine EasySix™ (DTwP-HepB-Hib-IPV), initiating supply of oral polio vaccine from Baddi facility, entering into strategic alliances with domestic as well as foreign collaborators for supply of products, launch of innovative new products, launch of new products in USA/EU etc. expediting development of new products and monetization of non-core assets, raising of funds. etc. Based on above measures and continuous efforts to improve the business performance and as explained in notes 7, 8 and 9(a) above, 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.
10. The necessary certificate/ report in respect of the above results in terms of requirement of Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015, has been placed before the Board of Directors.
11. Previous period amounts have been regrouped/ reclassified in compliance with IND-AS to make them comparable with those of current period/ year.
12. The above results are also available on the Company's website <http://www.panaceabiotec.com>

Place: New Delhi
Date: May 30, 2018

Panacea Biotec Limited

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CIN: L33117PB1984PLC022350, Ph. No. +91-11-41679000, Fax: +91-11-41679070
Website: <http://www.panaceabiotec.com>, E-mail: corporate@panaceabiotec.com

For and on behalf of the Board of Directors




Dr. Rajesh Jain
Managing Director



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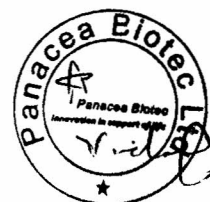
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Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Panacea Biotec Limited

1. We have audited the standalone financial results ('the Statement') of Panacea Biotec Limited ('the Company') for the year ended 31 March 2018, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 5 to the Statement regarding the figures for the quarter ended 31 March 2018 as reported in these standalone financial results, which are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2018 and our review of standalone financial results for the nine months period ended 31 December 2017.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.



Chartered Accountants

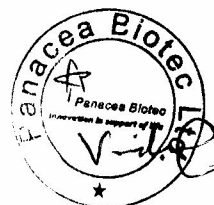
Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

3. As explained in Note 9(a) to the Statement, the Company's total borrowings as at 31 March 2018 includes balances payable to various lenders amounting to Rs 73,154 lakhs which are currently recorded based on revised terms agreed with the said lenders as part of the Corporate Debt Restructuring ("CDR") scheme, and are reconciled with all lenders except in case of one lender as explained in the said Note. Subsequent to the year end, the lenders have informed the Company that they are considering CDR package as failed CDR and exit from CDR, consequent to which we are unable to comment upon the impact, if any, on the carrying values of borrowings and its related classification as at 31 March 2018 and the interest expense (including penal interest, if any) for the year then ended.
4. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard except for the possible effects of matter described in paragraph 3; and
 - (ii) give a true and fair view of the standalone net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2018 except for the possible effects of matter described in paragraph 3.
5. We draw attention to the following notes to the Statement:
 - a) Note 9(b) to the Statement regarding capital advances amounting to Rs. 1,768 lakhs given to a real estate developer for acquiring certain immovable properties in Dubai where the Company has initiated legal recourse.
 - b) Note 9(c) to the Statement regarding payment of managerial remuneration for the financial years ended 31 March 2018, 2017, 2016, 2014 and 2013 respectively, which is in excess of the limits specified by the relevant provisions of the Companies Act, 2013 /the Companies Act, 1956 by Rs. 1,164 lakhs for the said years. The Company's applications to the Central Government seeking approval for payment of such excess remuneration have not been approved and consequently the Company is required to recover the excess amount thus paid for the said years. The Company has recorded an amount of Rs. 1,164 lakhs as recoverable from the directors towards such excess remuneration paid. The Company has submitted new applications to the Central Government for waiver of recovery of excess remuneration paid and is also in the process of completing the related procedural formalities.
 - c) Note 9(d) to the Statement which indicates that the Company has incurred a net loss (before exceptional items) of Rs. 7,188 lakhs during the year ended 31 March 2018 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 33,162 lakhs. These conditions along with other matters as set forth in aforesaid note and paragraph 3 above indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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



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Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

6. The Company had prepared separate standalone financial results for the year ended 31 March 2017, based on the standalone financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and standalone financial results for the nine months period ended 31 December 2016 prepared in accordance with the recognition and measurement principles laid down in AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015, and other accounting principles generally accepted in India, on which we issued auditor's report dated 30 May 2017. These standalone financial results for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

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For Walker Chandiok & Co LLP

Chartered Accountants

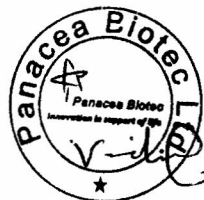
Firm Registration No.: 001076N/N500013

Rajesh Jain

Per Rajesh Jain

Partner

Membership No. 081203



Place: Gurugram

Date: 30 May 2018

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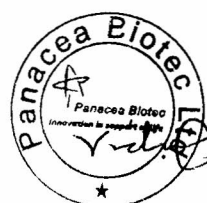
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Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Panacea Biotec Limited

1. We have audited the consolidated financial results ('the Statement') of Panacea Biotec Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture, for the year ended 31 March 2018, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2018 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.
3. As explained in Note 9(a) of the Statement, the Holding Company's total borrowings as at 31 March 2018 includes balances payable to various lenders amounting to Rs 73,154 lakhs which are currently recorded based on revised terms agreed with the said lenders as part of the Corporate Debt Restructuring ("CDR") scheme, and are reconciled with all lenders except in case of one lender as explained in the said Note. Subsequent to the year end, the lenders have informed the Holding Company that they are considering CDR package as failed CDR and exit from CDR, consequent to which we are unable to comment upon the impact, if any, on the carrying values of borrowings and its related classification as at 31 March 2018 and the interest expense (including penal interest, if any) for the year then ended.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

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Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

4. 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 other auditors on separate financial results and on other financial information of the subsidiaries and joint venture, the consolidated financial results:

- (i) include the financial results for the year ended 31 March 2018, of the following entities:

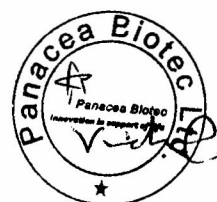
Name of the Entity	Nature of Relationship
Panacea Biotec Limited	Holding Company
Radhika Heights Limited	Subsidiary Company
Rees Investments Limited	Subsidiary Company
Panacea Biotec (International) SA	Subsidiary Company
PanEra Biotec Private Limited	Subsidiary Company
NewRise Healthcare Private Limited	Subsidiary Company (till 21 April 2017)
Adveta Power Private Limited	Step down subsidiary
Cabana Construction Private Limited	Step down subsidiary
Cabana Structures Limited	Step down subsidiary
Nirmala Buildwell Private Limited	Step down subsidiary
Nirmala Organic Farms & Resorts Private Limited	Step down subsidiary
Radicura Infra Limited	Step down subsidiary
Sunanda Infra Limited	Step down subsidiary
Panacea Biotec Germany GmbH	Step down subsidiary
Chiron Panacea Vaccines Private Limited	Jointly controlled entity

- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard and except for the possible effects of matter described in paragraph 3; and

- (iii) give a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2018 except for the possible effects of matter described in paragraph 3.

5. We draw attention to the following notes to the Statement:

- a) Note 9(b) to the Statement regarding capital advances amounting to Rs. 1,768 lakhs given to a real estate developer for acquiring certain immovable properties in Dubai where the Holding Company has initiated legal recourse.
- b) Note 9(c) to the Statement regarding payment of managerial remuneration for the financial years ended 31 March 2018, 2017, 2016, 2014 and 2013 respectively, which is in excess of the limits specified by the relevant provisions of the Companies Act, 2013 /the Companies Act, 1956 by Rs. 1,164 lakhs for the said years. The Holding Company's applications to the Central Government seeking approval for payment of such excess remuneration have not been approved and consequently the Holding Company is required to recover the excess amount thus paid for the said years. The Holding Company has recorded an amount of Rs. 1,164 lakhs as recoverable from the directors towards such excess remuneration paid. The Company has submitted new applications to the Central Government for waiver of recovery of excess remuneration paid and is also in the process of completing the related procedural formalities.



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Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

- c) Note 9(d) to the Statement which indicates that the Group has incurred a net loss of Rs. 7,600 lakhs during the year ended 31 March 2018 and as of that date, the Group's current liabilities exceeded its current assets by Rs. 13,067 lakhs. These conditions along with other matters as set forth in aforesaid note and paragraph 3 above indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

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

6. We did not audit the financial statements / financial information of thirteen subsidiaries, whose financial statements / financial information reflect total assets of ₹ 47,299 lakhs and net assets of ₹ 15,153 lakhs as at 31 March 2018, and total revenues of ₹ 3,779 lakhs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit (including other comprehensive income) of ₹ 21 lakhs for the year ended 31 March 2018, as considered in the consolidated financial results, in respect of one joint venture, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries and joint venture, are based solely on the reports of such other auditors.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

7. The Holding Company had prepared separate consolidated financial results for the year ended 31 March 2017, based on the consolidated financial statements for the year ended 31 March 2017 prepared in accordance with Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, on which we issued auditor's report dated 30 May 2017. These consolidated financial results for the year ended 31 March 2017 have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have been audited by us and by other auditors in case of standalone financial results of 12 subsidiaries and one joint venture whose reports has been furnished to us by management. Our opinion on the consolidated financial results, in so far it related to the amounts and disclosures included in respect of these subsidiaries and joint venture are based solely on the reports of such other auditors. Our opinion is not modified in respect of this matter.

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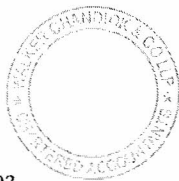
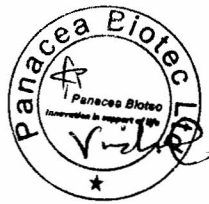
For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per Rajesh Jain
Partner

Membership No. 081203

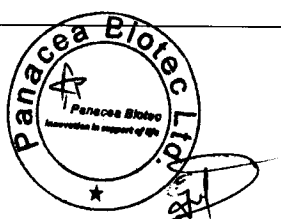


Place: Gurugram
Date: 30 May 2018

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

(Rs. in Lakh)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 (Standalone) [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	59,755	59,755
	2.	Total Expenditure	65,879	65,879
	3.	Net Profit/(Loss)	(7,188)	(7,188)
	4.	Earnings Per Share	(11.74)	(11.74)
	5.	Total Assets	167,349	167,349
	6.	Total Liabilities	128,539	128,539
	7.	Net Worth	38,810	38,810
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: The Company's total borrowings as at 31 March 2018 includes balances payable to various lenders amounting to Rs. 73,154 lakhs which are currently recorded based on revised terms agreed with the said lenders as part of the Corporate Debt Restructuring ("CDR") scheme, and are reconciled with all lenders except in case of one lender as explained in the said Note. Subsequent to the year end, the lenders have informed the Company that they are considering CDR package as failed CDR and exit from CDR, consequent to which we are unable to comment upon the impact, if any, on the carrying values of borrowings and its related classification as at 31 March 2018 and the interest expense (including penal interest, if any) for the year then ended.			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Appeared for first time.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable			



e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. For Audit Qualification(s) where the impact is not quantified by the auditor:

Corporate Debt Restructuring: During financial year 2014-15, the Company was sanctioned a Corporate Debt Restructuring ("CDR") scheme under the CDR mechanism of the Reserve Bank of India ("RBI") after attaining super-majority from its lender banks ("CDR Lenders"). The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the Master Restructuring Agreement ("MRA") as per CDR scheme, to the extent agreed with the banks. In its meeting held on May 22, 2018, the CDR Lenders (other than Indian Overseas Bank) have informed the Company that they are considering the CDR scheme as failed CDR and exit from CDR. Consequently, the CDR Lenders have classified the Company's account as non-performing asset due to non-compliance with the pending conditions but not due to default for payment of principal/ interest as per agreed terms of CDR. At the year end, the outstanding principal and interest by the Company to CDR Lenders amounts to Rs 73,154 lakh (2017: Rs 79,583 lakh). At the year end, as per books of the accounts of the Company, there are no reconciling items between the outstanding balance of principal / interest with the CDR Lenders except for with Edelweiss Asset Reconstruction Company Limited ("EARC") whose balance as per books of the Company stands at Rs. 11,356 Lakh (2017: Rs 12,272 lakh) whereas the said lender has claimed balance of Rs. 19,612 Lakh (2017: Rs 19,694 Lakh), which in Company's view is inaccurate and misleading and therefore has been disputed by the Company.

The CDR Lenders have requested the Company to expedite completion of the process of raising funds through equity dilution and / or refinancing as per the timelines shared. Completion of the pending terms and conditions are in progress and the management is confident that it will be able to comply with all key pending conditions within the aforesaid timeline.

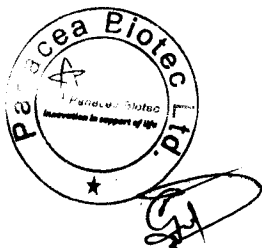
Based on the management's evaluations and independent legal advice obtained, the Company believes that the Company will be able to resolve these matters favorably in due course without materially impacting the recognition, measurement, classification and disclosures presented in these financial results for its obligations to the CDR Lenders. Accordingly, no adjustments are considered necessary in the books of accounts at this stage.

ii. If management is unable to estimate the impact, reasons for the same:

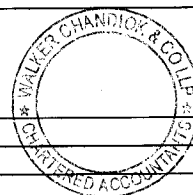
The Lenders informed the Company about their decision recently in the consortium meeting held on May 22, 2018. The Company has submitted its resolution plans in the same meeting and requested for allowing time to resolve the pending compliances. The Lenders agreed with the Company's request and asked the Company to expedite the process of raising funds by way of equity dilution/ refinancing as per the timeline shared. The lenders have not raised any particular demand on the company. Pending further information from the lenders, adjustment if any are not quantifiable at this stage.

iii. Auditors' Comments on (i) or (ii) above:

We agree with the management assessment .



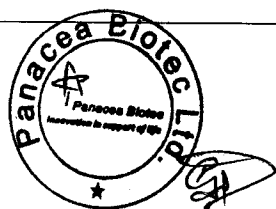
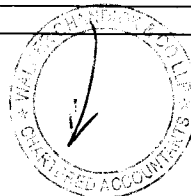
III	Signatories:	
	CEO/Managing Director	<i>R. Jain</i>
	CFO	<i>G. D. Gupta</i>
	Audit Committee Chairman	<i>R. Singh</i>
	Statutory Auditor:	<i>W. Chandio & Co. Ld.</i>
	Place: New Delhi	
	Date: May 30, 2018	



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

(Rs. in Lakh)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 (Consolidated) [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	60,439	60,439
	2.	Total Expenditure	67,074	67,074
	3.	Net Profit/(Loss)	(7,600)	(7,600)
	4.	Earnings Per Share	(12.41)	(12.41)
	5.	Total Assets	160,757	160,757
	6.	Total Liabilities	129,887	129,887
	7.	Net Worth	30,870	30,870
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: The Company's total borrowings as at 31 March 2018 includes balances payable to various lenders amounting to Rs. 73,154 lakhs which are currently recorded based on revised terms agreed with the said lenders as part of the Corporate Debt Restructuring ("CDR") scheme, and are reconciled with all lenders except in case of one lender as explained in the said Note. Subsequent to the year end, the lenders have informed the Company that they are considering CDR package as failed CDR and exit from CDR, consequent to which we are unable to comment upon the impact, if any, on the carrying values of borrowings and its related classification as at 31 March 2018 and the interest expense (including penal interest, if any) for the year then ended.			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing Appeared for first time.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable			



e. For Audit Qualification(s) where the impact is not quantified by the auditor:

i. For Audit Qualification(s) where the impact is not quantified by the auditor:

Corporate Debt Restructuring: During financial year 2014-15, the Company was sanctioned a Corporate Debt Restructuring ("CDR") scheme under the CDR mechanism of the Reserve Bank of India ("RBI") after attaining super-majority from its lender banks ("CDR Lenders"). The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the Master Restructuring Agreement ("MRA") as per CDR scheme, to the extent agreed with the banks. In its meeting held on May 22, 2018, the CDR Lenders (other than Indian Overseas Bank) have informed the Company that they are considering the CDR scheme as failed CDR and exit from CDR. Consequently, the CDR Lenders have classified the Company's account as non-performing asset due to non-compliance with the pending conditions but not due to default for payment of principal/ interest as per agreed terms of CDR. At the year end, the outstanding principal and interest by the Company to CDR Lenders amounts to Rs 73,154 lakh (2017: Rs 79,583 lakh). At the year end, as per books of the accounts of the Company, there are no reconciling items between the outstanding balance of principal / interest with the CDR Lenders except for with Edelweiss Asset Reconstruction Company Limited ("EARC") whose balance as per books of the Company stands at Rs. 11,356 Lakh (2017: Rs 12,272 lakh) whereas the said lender has claimed balance of Rs. 19,612 Lakh (2017: Rs 19,694 Lakh), which in Company's view is inaccurate and misleading and therefore has been disputed by the Company.

The CDR Lenders have requested the Company to expedite completion of the process of raising funds through equity dilution and / or refinancing as per the timelines shared. Completion of the pending terms and conditions are in progress and the management is confident that it will be able to comply with all key pending conditions within the aforesaid timeline.

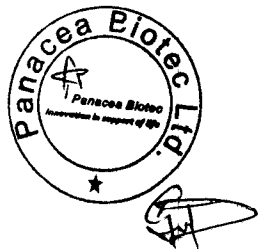
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The Lenders informed the Company about their decision recently in the consortium meeting held on May 22, 2018. The Company has submitted its resolution plans in the same meeting and requested for allowing time to resolve the pending compliances. The Lenders agreed with the Company's request and asked the Company to expedite the process of raising funds by way of equity dilution/ refinancing as per the timeline shared. The lenders have not raised any particular demand on the company. Pending further information from the lenders, adjustment if any are not quantifiable at this stage.

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We agree with the management assessment .



III	Signatories:	
	CEO/Managing Director	<i>R. Jain</i>
	CFO	<i>Gupta</i>
	Audit Committee Chairman	<i>Blomsh</i>
	Statutory Auditor:	<i>Chandok & Co. Ld.</i>
	Place: New Delhi	
	Date: May 30, 2018	

