Panacea Biotec

Innovation in support of life

27th May, 2016

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, 2016

ii. Passing over of Dividend for the financial year 2015-16

Dear Sir,

In continuation to our letter dated 12th May, 2016 and pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations], we would like to inform you that the Board of Directors of the Company has, at its meeting held today, i.e. 27th May, 2016, inter-alia, considered and approved the Audited Financial Results (Standalone and Consolidated) of the Company for the Quarter / Year ended 31st March, 2016. The same were also reviewed by the Audit Committee in its meeting held on 26th May, 2016.

Pursuant to Regulation 33 of SEBI (LODR) Regulations, we enclose the following:

(i) Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter / year ended 31st March, 2016.

(ii) Auditors' Report on the Audited Financial Results - Standalone and Consolidated.

Further, pursuant to the regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 read with circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare that the auditors have given unmodified opinion on the above referred Auditors' Report on the Audited Financial Results (Standalone and Consolidated).

Further, pursuant to Regulation 46(2) (l) of SEBI (LODR) Regulations, the said financial results are being uploaded on the website of the Company.

Further, pursuant to Regulation 47(1) (b) of SEBI (LODR) Regulations, the Extract of Statement of Audited Financial Results in the Format as prescribed in Annexure XI of SEBI Circular No. CIR/CFD/CMD/15/2015 dated 30.11.2015 is being sent for publication in newspapers.

Further, in view of inadequate profits/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, 2016.

The meeting of the Board of Directors commenced at 11.30 A.M. and concluded at 06.30 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.**

Devender Gupta
CFO & Head IT

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(Rs. in Lacs except per share)

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Extract of Statement of Standalone and Consolidated Financial Results (Audited) for the Quarter and Year Ended March 31, 2016

Particulars	Standalone				Consolidated	
	Quarter Ended		Year Ended		Year Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Total income from operations (net)	20,315	22,209	64,690	67,920	65,308	68,719
Net Profit / (Loss) from ordinary activities after tax	7,215	(3,139)	87	(6,523)	(2,085)	(10,249)
Net Profit / (Loss) for the period after tax (after Extraordinary items)	7,215	(3,139)	87	(6,523)	(1,829)	(10,651)
Equity Share Capital (face value of Re.1 per share)	613	613	613	613	613	613
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet)	-	-	10,751	10,719	(3,329)	(1,071)
Earning per Share (before and after extraordinary items) of Re. 1 each (annualised, other than Quarter)						
Basic :	11.77	(5.12)	0.14	(10.65)	(2.97)	(17.39)
Diluted:	11.77	(5.12)	0.14	(10.65)	(2.97)	(17.39)

Notes:

1 The above is an extract of the detailed format of quarterly/ Annual results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarterly and year ended FY 2015-16 results are available on the Stock Exchange websites, NSE- http://www.nseindia.com, BSE- http://www.bseindia.com and are also available on the Company's website, http://www.panaceabiotec.com.

2 The above extract of financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on May 26, 2016 and May 27, 2016 respectively.

3 Previous period / year amounts have been regrouped/ reclassified to make them comparable with those of current period/year.

For and on behalf of the Board

Dr. Rajesh Jain
Joint Managing Director

New Delhi
May 27, 2016

Panacea Biotec Limited
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CIN: L33117PB1984PLC022350 - Ph. No. 91-11-41679000, Fax: 91-11-41679070,Website: http://www.panacea-biotec.com - E-mail: Corporate@panaceabiotec.com

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Statement of Standalone and Consolidated Financial Results (Audited) for the Quarter and Year Ended March 31, 2016

(Rs. in Lacs except per share)

Particulars	Standalone quarter ended			Standalone year ended		Consolidated year ended	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
PART - I							
1. Income from operations							
a. Net sales / income from operations (net of excise duty)	18,747	15,043	21,795	61,966	64,322	62,581	65,119
b. Other operating income	1,568	371	414	2,724	3,598	2,727	3,600
Total income from operations (net)	**20,315**	**15,414**	**22,209**	**64,690**	**67,920**	**65,308**	**68,719**
2. Expenses							
a. Cost of materials consumed	4,149	4,288	5,987	16,882	24,142	16,961	24,457
b. Purchase of stock in trade	395	659	447	2,402	2,079	2,402	2,078
c. Changes in inventories of finished goods, work in progress and stock in trade	1,762	(34)	5,102	2,151	2,639	2,217	1,486
d. Employees benefits expense	3,187	3,604	3,468	13,980	13,323	14,202	13,598
e. Depreciation and amortisation expenses	1,703	1,806	1,624	7,132	6,574	7,332	6,724
f. Other expenses	5,238	4,579	5,812	18,024	18,985	18,354	22,712
Total expenses	**16,434**	**14,902**	**22,440**	**60,571**	**67,742**	**61,468**	**71,055**
3. Profit / (Loss) from operations before other income, finance cost & exceptional items (1-2)	**3,881**	**512**	**(231)**	**4,119**	**178**	**3,840**	**(2,336)**
4. Other income	856	596	1,627	2,556	2,805	2,035	2,848
5. Profit / (Loss) from ordinary activities before finance cost & exceptional items (3+4)	**4,737**	**1,108**	**1,396**	**6,675**	**2,983**	**5,875**	**512**
6. Finance cost	2,434	2,846	4,346	11,500	9,317	12,733	10,453
7. Profit / (Loss) from ordinary activities after finance cost before exceptional items (5-6)	**2,303**	**(1,738)**	**(2,950)**	**(4,825)**	**(6,334)**	**(6,858)**	**(9,941)**
8. Exceptional items	4,965	-	-	4,965	-	4,965	-
9. Profit / (Loss) from ordinary activities before tax (7+8)	**7,268**	**(1,738)**	**(2,950)**	**140**	**(6,334)**	**(1,893)**	**(9,941)**
10. Tax expense	53	-	189	53	189	192	308
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	**7,215**	**(1,738)**	**(3,139)**	**87**	**(6,523)**	**(2,085)**	**(10,249)**
12. Extraordinary items (net of tax expenses)	-	-	-	-	-	-	-
13. Net Profit / (Loss) for the period (11-12)	**7,215**	**(1,738)**	**(3,139)**	**87**	**(6,523)**	**(2,085)**	**(10,249)**
14. Share of Profit/(Loss) of associates	-	-	-	-	-	22	(581)
15. Minority interest	-	-	-	-	-	234	179
16. Net Profit/ (Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14+15)	**7,215**	**(1,738)**	**(3,139)**	**87**	**(6,523)**	**(1,829)**	**(10,651)**
17. Paid up equity share capital (face value of Re.1 per share)	613	613	613	613	613	613	613
18. Reserves excluding revaluation reserves	-	-	-	10,751	10,719	(3,329)	(1,071)
19 Earning per share (EPS) (before/after extraordinary items) of Re. 1 each (annualised, other than							
- Basic (in Rs.)	11.77	(2.84)	(5.12)	0.14	(10.65)	(2.97)	(17.39)
- Diluted (in Rs.)	11.77	(2.84)	(5.12)	0.14	(10.65)	(2.97)	(17.39)

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Statement of Standalone and Consolidated Financial Results (Audited) for the Quarter and Year Ended March 31, 2016

Audited Segment-wise Revenue, Results and Capital Employed

(Rs. in Lacs)

Particulars	Standalone quarter ended			Standalone year ended		Consolidated year ended	
	March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment revenue							
(a) Vaccines	10,888	6,230	13,192	25,318	27,630	25,318	27,629
(b) Formulations	8,261	9,120	8,938	38,065	37,907	38,682	38,708
(c) Research & development	1,166	64	80	1,307	2,383	1,308	2,382
(d) Health management	-	-	-	-	-	-	-
(e) Real estate	-	-	-	-	-	-	-
(f) Unallocated	-	-	(1)	-	-	-	-
Gross sale/Income from operation	**20,315**	**15,414**	**22,209**	**64,690**	**67,920**	**65,308**	**68,719**
Less : Inter segment revenue	-	-	-	-	-	-	-
Net sales/Income from operations	**20,315**	**15,414**	**22,209**	**64,690**	**67,920**	**65,308**	**68,719**
2.Segment results							
Profit (+)/ Loss (-) before tax and interest from each segment							
(a) Vaccines	5,204	1,852	2,437	6,669	364	6,701	389
(b) Formulations	1,332	2,241	2,385	10,929	11,662	10,873	11,377
(c) Research & development	(359)	(1,595)	(1,863)	(5,177)	(3,997)	(5,177)	(3,997)
(d) Health management	-	-	-	-	-	(346)	(346)
(e) Real estate	-	-	-	-	-	94	489
Total	**6,177**	**2,498**	**2,959**	**12,421**	**8,029**	**12,145**	**7,912**
Less : i) Interest expense (including bank charges etc.)	2,434	2,846	4,346	11,500	9,317	12,733	10,453
ii) Other un-allocated expenditure net off un-allocated income	(3,525)	1,390	1,563	781	5,046	1,305	7,400
Total profit before tax	**7,268**	**(1,738)**	**(2,950)**	**140**	**(6,334)**	**(1,893)**	**(9,941)**
3. Capital Employed							
(Segment assets less segment liabilities)							
(a) Vaccines	57,715	56,014	58,398	57,715	58,398	58,242	58,857
(b) Formulations	26,842	26,505	25,643	26,842	25,643	27,149	26,226
(c) Research & development	19,477	18,407	20,266	19,477	20,266	19,476	20,266
(d) Health management	-	-	-	-	-	5,516	3,984
(e) Real estate	-	-	-	-	-	24,042	24,332
(f) Unallocated	(50,031)	(54,340)	(50,336)	(50,031)	(50,336)	(89,456)	(86,194)
Total	**54,003**	**46,586**	**53,971**	**54,003**	**53,971**	**44,969**	**47,471**



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Statement of Standalone and Consolidated Financial Results (Audited) for the Quarter and Year Ended March 31, 2016

Statement of Assets & Liabilities

(Rs. in Lacs)

Particulars	Standalone year ended		Consolidated year ended	
	March 31, 2016 (Audited)	March 31, 2015 (Audited)	March 31, 2016 (Audited)	March 31, 2015 (Audited)
A EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share capital	2,243	2,243	2,243	2,243
Reserves and surplus	51,760	51,728	42,618	44,876
Sub-total - Shareholders' funds	**54,003**	**53,971**	**44,861**	**47,119**
2. Share application money (pending allotment)	-	-	-	10
3. Minority interest	-	-	108	342
4. Non-current liabilities				
Long term borrowings	77,888	62,844	86,708	72,297
Deferred tax liabilities (Net)	-	-	50	48
Other long term liabilities	34	70	4,811	1,459
Long term provisions	1,418	1,168	1,423	1,169
Sub-total -Non-current liabilities	**79,340**	**64,082**	**92,992**	**74,973**
5. Current liabilities				
Short-term borrowings	21,825	31,983	19,182	29,584
Trade payables	17,383	18,697	18,787	20,913
Other current liabilities	8,055	18,675	9,360	19,485
Short-term provisions	137	515	151	621
Sub-total - Current liabilities	**47,400**	**69,870**	**47,480**	**70,603**
TOTAL - EQUITY AND LIABILITIES	**180,743**	**187,923**	**185,441**	**193,047**
B ASSETS				
1. Non current assets				
(a) Fixed assets				
Tangible assets	97,619	103,979	105,208	111,652
Intangible assets	1,139	1,989	1,265	2,129
Capital work-in-progress	865	469	15,059	14,320
Intangible assets under development	1,036	1,229	1,036	1,228
(b) Goodwill on consolidation	-	-	638	649
(c) Non-current investments	39,466	39,466	519	1,020
(d) Long- term loans and advances	6,682	9,268	6,801	9,469
(e) Other non current assets	55	6	56	8
Sub-total - Non-current assets	**146,862**	**156,406**	**130,582**	**140,475**
2. Current assets				
(a) Current investments	-	-	352	498
(b) Inventories	13,657	14,090	30,524	31,022
(c) Trade receivables	14,221	10,043	14,167	9,857
(d) Cash and cash equivalents	932	4,237	2,293	5,240
(e) Short-term loans and advances	4,536	2,642	6,963	5,319
(f) Other current assets	535	505	560	636
Sub-total - Current assets	**33,881**	**31,517**	**54,859**	**52,572**
TOTAL -ASSETS	**180,743**	**187,923**	**185,441**	**193,047**

Notes:

1. The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on May 26, 2016 and May 27, 2016 respectively.

2. During the year, the Company has:

a. been awarded "Brand of the Year (chronic) – Silver Award 2015" from AWACS for its brand 'Glizid-M'.

b. received Thomson Reuters Intellectual Property & Science Award for the year 2015 as one of the "Top 50 Indian Innovators - 2015".

c. launched first indigenously developed high quality oncology product 'CABAPAN' (Cabazitaxel Injection) for treatment of metastatic Castration Resistant Prostrate Cancer (mCRPC), at approx. one fifth of innovator price.

3. Corporate Debt Restructuring:

a. During the financial year 2014-15, the Company was sanctioned a Corporate Debt Restructuring ("CDR") scheme under the CDR mechanism of the Reserve Bank of India ("RBI") after attaining super-majority from its lender banks. The Company executed a Master Restructuring Agreement ("MRA") with all the lender banks except State Bank of Travancore ("SBT") on December 27, 2014, with Cut-off Date of October 01, 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. Reconciliation with certain banks and completion of certain other terms and conditions are in process.

b. During the year, SBT has absolutely assigned and transferred its share of loan together with all underlying securities thereto and all rights of SBT, title and interests in favour of Edelweiss Asset Reconstruction Company Ltd. ("EARC"). During the quarter, the EARC has restructured the entire outstanding of Rs.16,495 Lac for an aggregate principal amount of Rs.11,530 Lac. As a result of such restructuring, the Company has registered an exceptional income of Rs 4,965 Lac during the quarter ended March 31, 2016. Out of Rs.11,530 Lac, the Company has made principal repayment of Rs.305 Lac in January 2016 and the balance principal amount of Rs.11,225 Lac shall be repaid in 29 structured quarterly instalments commencing from the quarter ending March 31, 2016 till the quarter ending March 31, 2023.

c. During the quarter, State Bank of Mysore has also absolutely assigned all the rights, title and interests in financial assistances granted to the Company, with all the underlying rights, benefits and obligations in favour of EARC vide assignment letter dated February 26, 2016. The Company is in the process of negotiating the terms of restructuring with EARC.

4. The Consolidated Financial Results of the Company have been prepared by consolidating the Company's financial results for the financial year 2015-16 with the:-
(i) Consolidated audited financial results for the financial year 2015-16 of Subsidiary Company, Radhika Heights Limited;
(ii) Audited financial results for the financial year 2015-16 of Subsidiary companies, namely, Kelisia Holdings Ltd., Panacea Biotec Germany GmbH, Panacea Biotec (International) SA, Rees Investments Ltd and NewRise Healthcare Private Ltd.;
(iii) Unaudited financial results for the financial year 2015-16 of oversees Subsidiary Panacea Biotec GmbH (liquidated on March 07, 2016);
(iv) Audited financial results for financial year 2015-16 of Joint Ventures, Adveta Power Private Limited and Chiron Panacea Vaccines Private Ltd. (under liquidation); and
(v) Audited financial results for the financial year 2015-16 of Associate Company, PanEra Biotec Private Ltd.

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

a. For the year ended March 31, 2016, the Company has earned a profit of Rs. 87 Lac (Previous financial year: Loss of Rs.6,523 lacs) including exceptional income of Rs 4,965 lacs (Previous financial year Nil). 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). During earlier year, the continuous losses have also adversely affected the cash flows of the Company. These conditions, read with note 3 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 supply to UNICEF/other customers of pentavalent vaccine; certain strategic alliances with foreign collaborators for supply of products. Additionally, further to note 3 above, the Management is confident that it will be able to comply with all key conditions of the CDR scheme. 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.

Notes:	
b	In view of absence of profits during financial years 2013-14 and 2012-13, total remuneration to the Managing/Joint Managing and Whole Time Director had exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 by Rs.135 Lac and Rs.132 Lac respectively. Accordingly, applications for protection/approval of the Central Government for such excess remuneration have been filed and requisite approvals are awaited. The management is hopeful of receiving necessary approval from Central Government.
6	During the quarter, CARE has revised the Credit Rating of the Company, which has now improved from "D" to "B-".
7	The amounts for the quarter ended March 31, 2016 are the balancing amounts between audited amounts in respect of the full financial year up to March 31, 2016 and the unaudited published year-to-date amounts up to December 31, 2015, being the date of the end of the third quarter of the financial year, which were subjected to limited review.
8	The necessary certificate in respect of the above results in terms of requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has been placed before the Board of Directors.
9	Previous period / year amounts have been regrouped/ reclassified to make them comparable with those of current period/year.
10	The above results are also available on the Company's website http://www.panaceabiotec.com

For and on behalf of the Board

Dr. Rajesh Jain
Joint Managing Director

New Delhi
May 27, 2016

Walker Chandiok & Co LLP

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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 of **Panacea Biotec Limited** ("the Company") for the year ended March 31, 2016, attached herewith, 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 7 in the standalone financial results regarding the amounts for the quarter ended March 31, 2016 as reported in these standalone financial results are the balancing amounts between audited amounts in respect of the full financial year and the published year to date amounts upto the end of the third quarter of the financial year. Also, the amounts up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results have been prepared on the basis of the standalone financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our review of financial results for the nine months period ended December 31, 2015 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India; and our audit of the standalone financial statements as at and for the year ended March 31, 2016.

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 standalone financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as standalone 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 opinion.

3. 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 in this regard; and

   (ii) give a true and fair view of the net profit and other financial information for the year ended March 31, 2016.

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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)

4. We draw attention to the following notes to the annual financial results:

   a. Note 5(b) to the annual financial results regarding payment of managerial remuneration of Rs. 375 lacs and Rs. 372 lacs 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. 135 lacs and Rs. 132 lacs 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 standalone financial results. Our report is not qualified in respect of this matter.

   b. Note 5(a) to the annual financial results which indicates that the Company incurred a net loss (before exceptional items) of Rs. 4,878 lacs during the year ended March 31, 2016 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 13,520 lacs. 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.

Walker Chandiok & Co LLP

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: May 27, 2016

Walker Chandiok & Co LLP

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(Formerly Walker, Chandiok & Co)
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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 of **Panacea Biotec Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the year ended March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results, which are the responsibility of the Company's management has been prepared in accordance with recognition and measurement principles laid down in accounting standards as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on these consolidated financial results based on our audit.

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 consolidated financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated 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 opinion.

3. In our opinion and to the best of our information and according to the explanations given to us and upon consideration of reports of other auditors, the consolidated financial results:

   (i) includes the annual financial results of the entities listed in note 4 to the annual financial results;

   (ii) has been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   (iii) give a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2016.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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. We draw attention to the following notes to the annual financial results:

   a. Note 5(b) to the annual financial results regarding payment of managerial remuneration of Rs. 375 lacs and Rs. 372 lacs 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. 135 lacs and Rs. 132 lacs 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 consolidated financial results. Our report is not qualified in respect of this matter.

   b. Note 5(a) to the annual financial results which indicates that the Group has incurred a net loss (before exceptional items) of Rs. 7,051 lacs during the year ended March 31, 2016, and as at that date its accumulated losses amounted to Rs. 24,801 lacs which have resulted in significant erosion of its net worth. These conditions, along with the other factors as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Our opinion is not qualified in respect of this matter.

5. We did not audit the annual financial results of twelve subsidiaries and two joint ventures, included in the consolidated financial results, whose financial results reflect total revenues (after eliminating intra-group transactions) of Rs. 634 lacs for the year ended March 31, 2016 and total assets (after eliminating intra-group transactions) of Rs. 43,375 lacs as at March 31, 2016. The consolidated financial results also includes the Group's share of net profit of Rs. 22 lacs for the year ended March 31, 2016 as considered in the consolidated financial results, in respect of one associate, whose financial results have not been audited by us. These annual financial results and other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion in respect thereof is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of this matter.

Walker Chandiok & Co LLP

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

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: May 27, 2016