Panacea Biotec

Innovation in support of life

Riding The
Next Growth Wave

ANNUAL REPORT 2020-21

Panacea Biotec
Innovation in support of life

Contents

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Safe Harbour Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about Company's future growth drivers, product development, market position and expenditures are forward looking statements. Forward looking statements are based on certain assumptions and expectations for future events. The Company may not guarantee that these assumptions and expectations are accurate and will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify, revise any forward-looking statements, on the basis of any subsequent developments, information and events.

Corporate Information

Board of Directors

Executive Directors

Mr. Soshil Kumar Jain - Chairman
Dr. Rajesh Jain - Managing Director
Mr. Sandeep Jain - Joint Managing Director
Mr. Ankesh Jain - Director Sales & Marketing

Non-Executive Directors

Mr. Bhupinder Singh
Mr. K. M. Lal
Mrs. Manjula Upadhyay
Mr. Mukul Gupta
Mr. N. N. Khamitkar
Mr. R. L. Narasimhan
Mr. Shantanu Yeshwant Nalavadi

Company Secretary

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

Chief Financial Officer

Mr. Devender Gupta - Chief Financial Officer & Head Information Technology

Registered Office

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

Corporate Offices

- B-1 Extn./G-3, Mohan Co-operative Indl. Estate Mathura Road, New Delhi - 110044, India
- B-1 Extn./A-27, Mohan Co-operative Indl. Estate Mathura Road, New Delhi - 110 044, India

Manufacturing Facilities

- Malpur, Baddi, Dist. Solan, Himachal Pradesh - 173 205, India
- Ambala - Chandigarh Highway, Lalru - 140 501, Punjab, India

R&D Centres

- B-1 Extn./A-24-25, Mohan Co-operative Indl. Estate Mathura Road, New Delhi -110 044, India
- Ambala - Chandigarh Highway Lalru - 140 501, Punjab, India

Sales & Marketing Office

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

Statutory Auditors

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

Internal Auditors

M/s. PriceWaterhouseCoopers LLP
Chartered Accountants, Gurugram, India

Cost Auditors

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

Secretarial Auditors

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

Registrar & Transfer Agent

M/s. Skyline Financial Services Private Limited
D-153 A, 1st Floor, Okhla Indl. Area, Phase-I
New Delhi - 110020, India

Bank

- Axis Bank Limited
- IDBI Bank Limited
- State Bank of India

www.panaceabiotec.com
CIN: L33117PB1984PLC022350

Information as on July 23, 2021

Panacea Biotec
Innovation in support of life

Innovate Integrate Motivate

We
Innovate to
create Value

We
collaborate

We
enable Better
Health to Live
Well and Live
Longer

We
are Pioneers

Panacea Biotec believes in giving a chance for **Better Health to Live Well and Live Longer**

10 billion+

Polio immunisations in developing countries

150 million+

Immunisations by innovative fully-liquid vaccines

36 million+

Patients treated by Gastro intestine franchise

33 million+

Patients being treated by Diabetes franchise

6.4 million+

Patients treated by Organ transplantation franchise

400,000+

Patients treated by Oncology franchise

Panacea Biotec
Innovation in support of life

Our Values

Mission
Innovation in Support of Life

Vision
Leading Health Management Company

Goal
To Meet Every Healthcare Need with a Panacea Biotec Brand and Service

Objective
Take Ideas from Grey Cell to Markets in a Proactive Manner

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

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

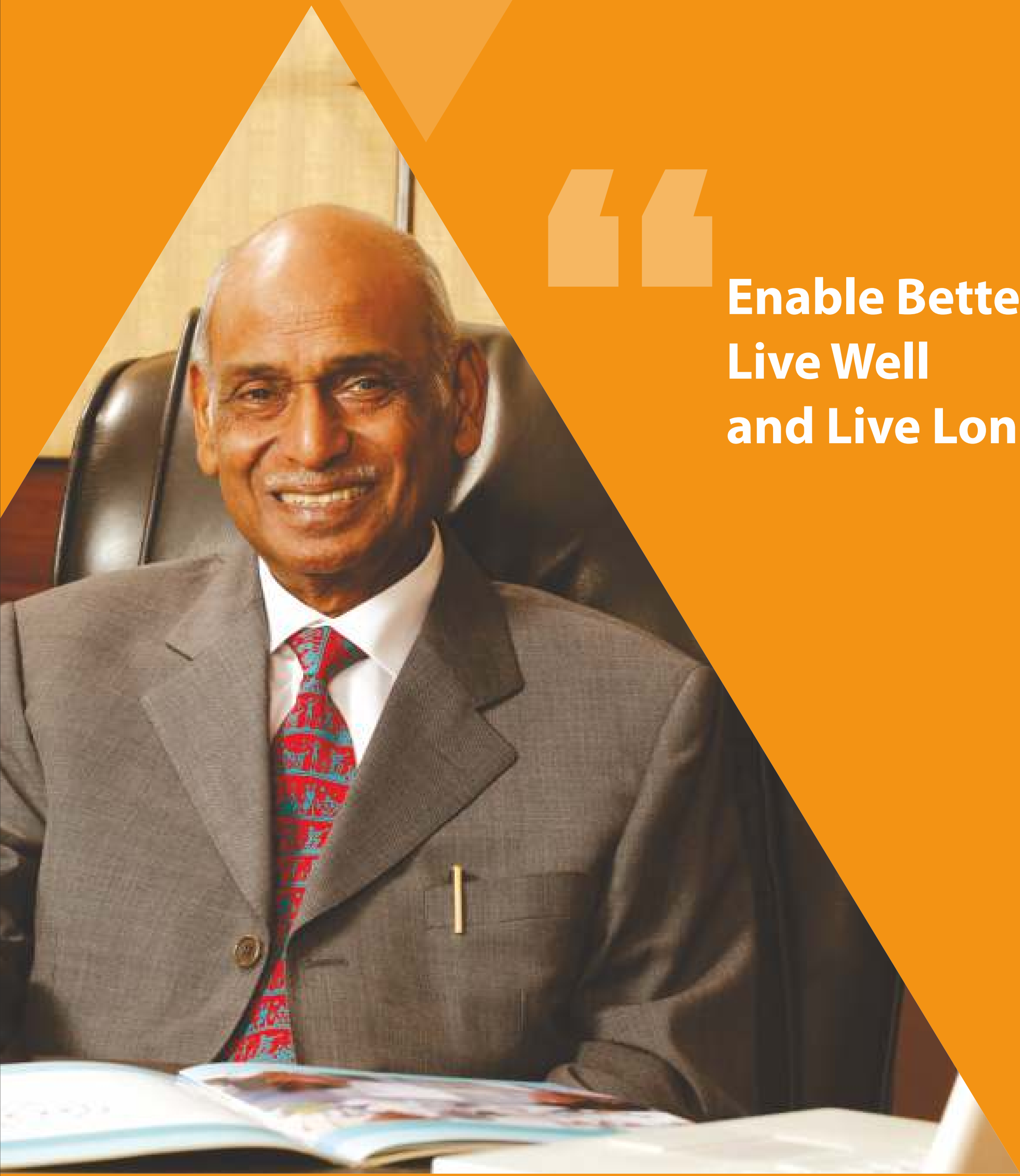
Pioneer
- Striving for leadership in every activity and to become the guiding star
- Having a vision of the future and succeed in reaching there before anyone else
- Persevere in owning innovation and be the first mover in the market
- Empowering people to speed up the organisation growth
- Always embracing new technology and processes
- Confidence to stand apart from competitive organisations

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

Financial Highlights

Particulars	2020-21*#		2019-20*#	2018-19*	2017-18*	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12
	(Rs. in million)	USD million**	(Rs. in million)								
Consolidated Financial Performance Summary											
Revenue from operations	6,248.05	85.47	5,440.62	4,566.96	5,961.61	5,579.51	6,530.80	6,871.90	5,153.70	6,084.90	7,100.90
Total Income	6,347.82	86.83	5,737.49	4,611.79	6,043.94	6,045.46	6,734.30	7,156.70	5,253.50	6,139.30	7,189.20
EBITDA	766.29	10.48	313.59	(1,311.94)	847.40	626.90	1,117.20	438.80	(766.30)	(860.60)	(863.10)
PBT	(1,450.30)	(19.84)	(1,773.44)	462.25	(661.39)	(671.80)	(189.30)	(994.10)	(1,109.60)	(2,530.60)	(2,553.20)
PAT	(1,476.58)	(20.20)	(1,942.96)	376.67	(759.97)	(562.00)	(182.90)	(1,065.00)	(1,121.30)	(2,342.80)	(2,056.60)
Total comprehensive income for the year	8.20	(0.11)	27.54	(4.61)	63.04	(41.69)	-	-	-	-	-
Equity Share Capital	61.25	0.84	61.25	61.25	61.25	61.25	61.25	61.25	61.25	61.25	61.25
Reserves & Surplus/ Other Equity$	(2,348.18)	(32.12)	1,926.62	3,442.72	3,025.60	3,495.50	4,424.85	4,650.65	5,065.90	6,195.60	8,669.40
Shareholders' Funds	(2,286.93)	(31.28)	1,987.87	3,503.97	3,086.85	3,556.75	4,486.10	4,711.90	5,127.15	6,256.85	8,730.65
Total Liabilities	11,788.16	161.25	13,903.00	13,755.20	16,075.56	18,001.38	18,544.10	1,9304.70	19,433.45	18,394.55	19,497.80
Net Fixed Assets	6,798.61	93.00	7,996.01	8,819.76	9,880.00	10,308.84	12,256.80	12,930.60	14,427.10	12,838.10	12,823.20
Total Assets	11,788.16	161.25	13,903.00	13,755.20	16,075.56	18,001.38	18,544.10	19,304.70	19,433.45	18,394.55	19,497.80
Key Consolidated Performance Indicators											
Profitability Ratios											
EBITDA Margin (%)	12.26	-	5.76	(28.73)	14.21	11.24	17.11	(6.39)	(14.87)	(14.14)	(12.15)
PBT Margin (%)	(23.21)	-	(32.60)	10.12	(11.09)	(12.04)	(2.90)	(14.47)	(21.53)	(41.59)	(35.96)
PAT Margin (%)	(23.63)	-	(35.71)	8.25	(12.75)	(10.07)	(2.80)	(15.50)	(21.76)	(38.50)	(28.96)
Shareholders Related Ratios											
Equity Dividend	-	-	-	-	-	-	-	-	-	-	-
EPS (Basic & Diluted)*** (In Rs.)	(24.11)	(0.33)	(31.72)	6.15	(12.41)	(9.18)	(2.99)	(17.39)	(18.31)	(38.25)	(33.58)

* Figures are as per Indian Accounting Standard (Ind AS)
# include figures for the discontinued operations
** 1 USD= INR 73.105 as on 31.03.2021
*** Per Equity Share of Re.1.each
$ Including preference share capital
Note: Figures in brackets are negative numbers



“Enable Better Health, Live Well and Live Longer”

Chairman's Message

Dear Stakeholders

In the last one year, all of us have been through the most turbulent times ever witnessed in our memory. The Covid-19 pandemic, which started in early 2020, has impacted everyone's life in different ways. The impact of Covid-19 pandemic was felt by the world economies across the nations, societies, industries and sectors without any exception. Panacea Biotec too had its own share of impact due to lockdowns imposed, restricted movements across states and some of the employees getting affected due to Covid-19. We formed internal task force to ensure our production and supplies continue unaffected. We took appropriate safety measures to create a safe work environment for our employees across manufacturing sites and other offices. Our teams also took various measures to ensure availability of life-saving medicines to patients in India and international markets. I would like to take this opportunity to thank all Panaceans for their exemplary commitment, resilience and cooperative spirit shown during these challenging times.

The year 2020 has been a humbling year - we saw the best in humanity came together. It also reminded us that no success or achievement in material terms is worthwhile, unless it serves the needs or interests of the humanity at large and the same is achieved by fair and honest means. Today, that's why we are thinking bigger than delivering inspiration and innovation. To best serve the world at large, we are also bringing the best of Panacea Biotec to respond to some of the most pressing challenges of our time.

I am happy to share that despite all the challenges, Company's consolidated revenue from operations have increased by ~15% to ₹ 6,248 million in FY2021, driven by increased sales of hexavalent vaccine EasySix™ in private market in India, supply of pentavalent vaccine Easyfive-TT® to UNICEF and PAHO and increased exports of our pharmaceutical products to ICH and ROW markets.

Our US business saw many upheavals during the year – marked by regulatory oversight, managing partners and product relaunches; a reboot of the US business was made necessary with supply chain challenges and increased market competition. With deeper collaboration and cross-functional management, we have led to a new beginning and are better focused through a diversified supply chain and evolved product portfolio.

In the Indian Vaccine market, we have been amongst the top 4 vaccine manufacturers in India. In Indian Pharmaceutical market, Panacea Biotec Pharma is ranked in the 10th position in its represented Therapeutic Markets and is amongst the Top 65 pharmaceutical companies in the overall Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2021) sales data.

During the year, your Company has received 7 new registrations in existing markets and filed 43 new dossiers in existing and new markets thereby laying a strong foundation of growth in the coming years. Our teams continue to be focused on expanding our presence in Emerging Markets through partnerships with local distributors, launching products in the US and introducing new branded formulations in India. As part of our growth strategy for international markets, we are in the process to file new dossiers in Germany through our subsidiary, Panacea Biotec Germany GmbH to expand our product portfolio in Germany and other EU countries. Your Company continues to be amongst the leading companies in providing high-quality life-saving medicines to transplant, oncology and diabetes patients. We are proud to share that PacliALL [Paclitaxel (protein bound) particle for injection] has completed a decade of Evidence, Excellence and Experience in the treatment of breast cancer patients.

Your Company has always been at forefront in brand building, through healthcare professionals' engagement

& patient care. We have strengthened our 'Best On Health' platform (24x7 helpline & door step medicine delivery) to ensure availability of life-saving medicines and support for transplant patients. We have provided essential tools including the masks and sanitizers to health care professionals for their safety and protection.

Your Company has made significant progress in manufacturing and supply of vaccines for Covid-19 from our state-of-the-art facilities at Lalru and Baddi in collaboration with RDIF. This is a critical milestone and provides an opportunity to serve mankind again like we did for the eradication of Polio over the last two decades. Our collaboration with RDIF to manufacture Sputnik V and Sputnik Light vaccines will help provide access to this critical vaccine in India and globally.

Research and Development has always been at the core of our endeavor to protect infants from preventable diseases and provide access to life-saving pharmaceutical treatment to patients. We have a strong pipeline of innovative vaccines including Pneumococcal Conjugate Vaccine, Recombinant Tetravalent Dengue Candidate Vaccine amongst others. I am happy to share that your Company has successfully completed & submitted Clinical Study Reports pertaining to Phase I clinical trial of 11-Valent Pneumococcal Conjugate Vaccine, NucoVac® and Phase I/II clinical trial of Recombinant Tetravalent Dengue Candidate Vaccine, DengiALL® to the Drugs Controller General of India (DCGI). We are also gearing up to undertake Phase II/ III trials for NucoVac® and Phase III trial for DengiALL® shortly. In Pharmaceuticals, we continue to build a strong portfolio of products for domestic and international markets including the complex and difficult to develop generics for ICH countries and introducing products for the treatment of COVID patients in India.

Your Company has always believed in creating and protecting our intellectual property, patents, copyrights and trademarks. We have a strong portfolio of intellectual property in the form of patents, trademarks and copyrights in both vaccines and pharmaceutical formulations business. We continue on this journey of developing our own intellectual property by actively investing in research and development and collaborating with academia to address the unmet medical needs of patients.

We provide meaningful opportunities for learning and growth and continuously encourage our employees to widen their horizon for professional growth. Learning at Panacea Biotec is a self-led journey. The Company believes that learning is a continuous process where an individual identifies what needs to be learnt to drive personal and organizational growth. We aim to create a culture of high performance where people continue to push boundaries of growth and self-development.

We have in place a detailed strategic plan to achieve significant growth in short, medium and long term. The key growth drivers would include scaling up of the existing products and launch of new products and penetrating into newer markets in both vaccines and pharmaceutical formulations business.

Although the future is full of unlimited possibilities for us, as an organization we shall continue to innovate, integrate our efforts and capabilities and continuously motivate our teams to outperform. At Panacea Biotec, we lead and as we challenge ourselves to always do better and think bigger, we can and will create the future we want to see. Let's all gear up and prepare for the better days ahead which is not very far away.

With these words, I express my sincere thanks to all our board members, government authorities, employees and partners for their unhindered support with which we continue to forge ahead to ***"Enable Better Health, Live Well and Live Longer"***.

Best wishes

Soshil Kumar Jain

Panacea Biotec At A Glance

A leading research based biotechnology Company and pioneer in development of vaccines and pharmaceutical formulations with established brand equity of over three decades.

#4 in vaccines[1]
#10 pharma company in represented markets.[1]

Amongst
Top 50
Innovators In India[2]

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

EasySix™
1st fully liquid wP-IPV based Hexavalent Vaccine globally

cGMP compliant manufacturing facilities approved by International regulatory authorities

460+ Patents granted globally - 34 active
20+ applications under process

1. AIOCD AWACS MAT MARCH 2021. 2. Innovation Awards 2016 by Clarivative Analytics.

Key Strengths

Leading biotechnology company with over 30 years' experience
in development, manufacturing and commercialization of vaccines and pharmaceutical formulations

One of the leading domestic pharmaceutical formulations player
Strong brands in niche segments with significant market share in respective therapeutic segment

Global footprint with significant focus on exports

State-of-the-art manufacturing facilities
cGMP compliant and USFDA approved

Established research & development and clinical research capabilities
with multi-disciplinary R&D Centers

Robust product pipeline of promising niche products to fuel long-term growth

Extensive sales and distribution network

Growing Strategic partnerships and collaborations

Strong promoter group supported by experienced and qualified management team

Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Vaccine Market

Vaccination is one of the most important health interventions introduced globally, providing a cost-effective way of protecting infants, children and the population at large from a range of serious illnesses and debilitating complications associated with vaccine-preventable diseases. According to UNICEF, immunization programs have helped in saving more than five lives every minute – preventing up to 3 million deaths a year. Immunization has largely reduced the incidence of diseases like measles, polio, small pox etc.

Global vaccine market is estimated to be around US$ 30 billion in 2020 – of which self-procuring high-income countries (HIC), middle-income countries (MIC) and private market vaccines account for US$ 25 billion (85% of the market) and vaccine supply for public immunization contributes to US$ 5 billion (WHO Global Vaccine Market Report 2019). While HICs and few MICs are able to meet their domestic demand of vaccines, a large number of low and middle income countries (LMICs) rely on affordable vaccines supplied by United Nation's Children Fund (UNICEF) and Pan American Health Organization (PAHO).

Indian Vaccine Market

India is the vaccine manufacturing epicenter of the world with more than 80% of the volume demand for domestic and international markets being served by few Indian manufacturers. The Indian vaccine industry has been instrumental not only in facilitating cost-effective vaccination in India, but also supplying vaccines to majority of the developing and underdeveloped world. The size of the Indian vaccine industry is approximately US$ 1.45 billion in 2020, projected to grow to US$ 2.9 billion by 2025 at a CAGR of approximately 15%. The Indian vaccine market has registered significant growth in recent years due to several factors including technical advancements, improved storage facilities with cold chain maintenance, increased production capacity, increased government support in research and development through different agencies and increasing awareness among the consumers.

The vaccine industry has a high entry barrier owing to high research intricacy, sophisticated scientific know-how and capital-intensive manufacturing capacity creation.

Private vaccine market in India is valued at US$ 300 million. Private vaccination currently has a small coverage, accounting for only 10-15% of the total volume but substantially higher price realization in the private market make it an attractive segment for vaccine companies. Private vaccination coverage is also growing in line with rising disposable income of the middle-class and awareness on preventive health measures.

Vaccine exports from India was around US$ 760 million in 2020. Indian vaccine companies export vaccines to more than 150 countries. According to GAVI data, India accounted for a dominant 60% of their vaccine volume supply in 2020.

Global Pharmaceutical Market

The global pharmaceutical market scaled US$ 1,265 billion in 2020 and is expected to touch US$ 1,600 billion by 2025 (Source: IQVIA (2021), Global Medicine Spending and Usage Trends). The overall market is expected to grow at a pace of 3-6% through 2025 – with the relatively mature North American and European markets growing at 0-3% and 3-5% respectively and emerging markets at 7-10%. North America contributed nearly 50% to the total market and Europe 23.9%. The industry contributed US$ 532 billion directly to global GDP in 2017. It has created 5.5 million jobs directly and supported additional 45 million jobs along the supply chain, in the same year (Source: WifOR (2020), The Global Economic Impact of Pharmaceutical Industry).

WHO reported a continuous rise of global spending on health during time period 2000 and 2018, with spending in 2018 touching US$ 8.3 trillion, nearly 10% of global GDP (WHO: Global Spending on Health: Weathering the storm, 2020). Despite Covid-19 led subdued growth in 2020 and 2021, it is expected that in 2021, the global medicine spending will touch US$ 1,331 billion. The mid-term outlook outlines optimism with global spending expected to soon revert to pre-Covid levels.

Rising Pharmaceutical R&D Expenditure – Potential to Drive Growth of Market: Past decade has witnessed multifold increase in pharma R&D expenditure globally. In 2019, total pharmaceutical R&D expenditure was estimated to exceed US$ 83 billion in US (Source: Congressional Budget Office, 2021) and EUR 37 billion in Europe. The expanding capital pool for R&D investment in US has also led to 60% increase in number of new drugs approvals from 2010 to 2019, with a record number of 59 approvals in 2018.

Indian Pharmaceutical Market

Indian pharmaceutical industry is estimated to account for 3% to 3.5% of the global pharmaceutical industry in terms of value at US$ 44.6 billion. India is self-sufficient in drug formulations; and the industry is spurred by both - a high growth domestic market as well as dominant presence in global pharmaceutical exports. As of year ended March 2021, Indian industry's pharmaceutical exports scaled to US$ 24.4 billion. During the same period, the domestic pharmaceutical market breached US$ 20.2 billion. Globally, the industry is ranked third in terms of volume share and fourteenth in terms of value share. Being a heavily generics oriented industry, the volume share is higher compared to value share.

Drug formulations and biologicals make the highest contribution (77%) in the pharmaceutical exports from India and has also registered the highest YoY growth amongst all categories. Growth of the segment has been driven by India's strong foothold in the global generics and vaccines supply - India is the largest supplier of generic medicines globally (20 to 22% of the global export volume) and also the largest supplier of vaccines for global public health supply.

Geographically, North America is a major export market for India, with USA contributing to 95% of export business. India contributes to 40% of the demand of generic medicines in the USA. Tailing North America, Africa is the second largest region for pharmaceutical exports, with South Africa contributing 17% to the region's demand. In FY21, exports to Africa grew by 13.4% as against 2.2% growth during previous fiscal year FY20. Exports to Europe also grew by 11% as compared to 4.56% during the previous fiscal year. Non-traditional markets such as Latin America, Middle East etc. have also emerged as important export destinations and Indian suppliers have been able to increase their foothold in these geographies.

India is the largest supplier of generic medicines globally (20 to 22% of the global export volume) and also the largest supplier of vaccines for global public health supply.

Indian export business outpaces global pharma growth: Indian pharmaceutical companies exhibited great resilience during the pandemic year and contributed towards record export figures, despite headwinds during the pandemic in the form of lockdowns and supply chain disruptions. Overall, Indian pharma industry's outlook for sustained growth in exports stays strong due to fundamental drivers including R&D strength, quality consciousness and cost competitiveness.

Production Linked Incentive Scheme: In a bid to counter the persistent business threat of low priced Chinese imports, the Government has introduced the Production Linked Incentive Scheme (PLI) for domestic manufacture of several active pharmaceutical ingredients (APIs) where import dependence is a threat to access to essential drugs as well as certain Key Starting Material (KSMs) and Drug Intermediates (DIs). With an overall outlay of US$ 920 million, the scheme hopes to provide production linked incentives of 5% to 20% on revenue for the stipulated drugs including vaccines.

On account of Covid-19 pandemic, the Indian Pharmaceutical Market (IPM) saw a modest growth rate of only 2% between March 2020 and March 2021. However, the overall mid-term outlook remains buoyant driven by several drivers for market expansion. The IPM will continue benefiting from combination of factors such as rising income levels with steady economic growth, shift in disease profiles and increasing burden of chronic diseases, improvements in healthcare infrastructure, improving access of healthcare in the hinterlands of the country, new launches by innovator companies and rapid healthcare digitalization across the country.

Impact of Covid-19 pandemic

Globally, Covid-19 led to an economic slowdown impacting most industries. Direct short-term impact of Covid-19 was seen in pharmaceutical supply chains globally which were affected due to travel restrictions. Delays and temporary halts were observed in clinical development pipeline of pharma majors globally and subsequent delay in regulatory approvals as the agencies were preoccupied with regulatory review of Covid-related medications and vaccines. Nation-wide lockdowns impacted the movement of people to hospitals and access to clinical services and the spill-over effect was seen in the dip in sales of hospital-administered medications and acute medicines. However, with most countries returning to normalcy now, the sector has bounced back, new regulatory approvals have picked-up pace. Illustratively, new drug approvals by the US FDA from January to June 2021 were at an all-time high of 30 vs 25 approvals for the same period in 2020 and 13 in 2019 for the same period.

On the Indian front, pharmaceutical exports were not affected by Covid-19 and increased by 18.07% in FY 2020-21 from previous fiscal year. In the domestic pharmaceutical market, growth was modest at only 2% YoY compared to previous year's growth of 6%, however, long-term outlook remains positive as multiple growth drivers propel the segment. Immediate impact of Covid-19 and other geopolitical factors has been the government's and industry's focus on attaining self-sufficiency in API production and making the supply chains more resilient by reducing dependence on imports. Overall, the industry is poised for growth led by improving access to healthcare and more focus on preventive healthcare.

PANACEA BIOTEC BUSINESS SEGMENTS

VACCINES BUSINESS

Panacea Biotec continues its focus on vaccines as a core therapy segment and believes in its purpose of rendering long term protection from preventable diseases. The Company has pioneered in the development of wholecell pertussis (“wP”) based fully liquid combination vaccines and has launched world's first fully liquid wP-IPV based hexavalent vaccine EasySix™ (Diphtheria, Tetanus, Wholecell Pertussis, Hepatitis B, Hib and IPV) in India in March 2017.

The Company's product portfolio includes key proprietary vaccines that include, the world's first fully-liquid wP based hexavalent vaccine (DTwP-HepB-Hib-IPV) branded as EasySix™, fully liquid tetravalent vaccine (DTwP-Hib) branded as Easyfour®-TT and WHO prequalified fully-liquid pentavalent vaccine (DTwP-HepB-Hib) branded as Easyfive-TT® and Bivalent Poliomyelitis Vaccine (Type 1 & 3), Live (Oral) branded as Bi-OPV® etc.

Panacea Biotec is a leading manufacturer of pediatric vaccines and has played a pivotal role in eradication of polio disease from India and many other countries, being one of the largest suppliers of oral polio vaccines to UNICEF, the Government of India and other developing countries. In the last two decades, the Company has supplied vaccines for more than 10 billion polio immunizations in developing countries and supplied vaccines for more than 150 million immunizations by fully liquid wP based combination vaccines.

During the year, the revenues from vaccines business has increased to Rs.2,278.34 million from Rs.1,404.15 million in financial year 2019-20, registering a growth of over 60%.

As a part of the long-term growth strategy, the Company is now expanding its sales of hexavalent vaccine EasySix™ in India and has initiated registrations thereof in international markets with having received marketing authorization in two countries.

Panacea Biotec is in the process of developing new generation vaccines like Pneumococcal Conjugate Vaccine - NucoVac®, Recombinant Tetravalent Dengue Candidate Vaccine - DengiALL® and Typhoid Conjugate Vaccine. Other vaccines which are in the pipeline include Sabin Inactivated Polio vaccine (sIPV), Tetanus and Diphtheria vaccine, Varicella vaccine and fully indigenous wP based pentavalent vaccine.

During the year under review, the Company has successfully completed the Phase I/II study to evaluate the safety and immunogenicity of DengiALL®, a single-dose live-attenuated tetravalent dengue vaccine candidate, which aims to reduce the impact of dengue fever, especially in the endemic regions. The Company has also successfully completed Phase I study to evaluate the safety and immunogenicity of its Pneumococcal Conjugate Vaccine candidate, NucoVac® and has applied for Phase II/III clinical trials.

Domestic Vaccines Business

The Company's domestic vaccine business is managed by Panacea Vaccines SBU. It has registered a strong YoY growth of 25% and has consistently consolidated its position in Vaccine therapeutic category since last three years.

Panacea Biotec continues to protect thousands of infants across India from diseases that could otherwise be life threatening. The SBU regularly reaches to nearly 10,000 pediatricians across India with a field force strength of around 150. Panacea Vaccines SBU rose up to the challenge of Covid-19 lockdowns and adapted to digital platforms through its innovative customer connect programs like web-Pedagogy which is an online CME platform conducted on Microsoft Teams and preserved in Facebook. Since its launch, the program has become well known, for the in-depth scientific discussion by leading experts, among pediatricians across country.

The Panacea Vaccines SBU also brought the top pediatricians on its digital advisory platform where its future roadmap was discussed. The SBU also launched digital / social media outreach to parents via its Facebook page "Vaccine-Immunity". These innovations have helped Vaccines business to outperform in the therapeutic category. The Company's innovative vaccine brand EasySix™ is one of the most consistent successes for Panacea Biotec in the Indian Vaccine Industry.

The other key brands in the SBU's brand portfolio are Easyfive-TT® and Easyfour®-TT. Panacea Vaccines SBU is the only vaccine SBU which has the wP based fully liquid tetravalent, pentavalent & hexavalent vaccines in India and with its wide customer reach and close ties, it is well poised to introduce new vaccines in primary series.

International Vaccines Business

Panacea Biotec supplies its vaccines to UNICEF, PAHO & other governments of several countries and also plans to sell its vaccines in the private market through tie-ups with established industry players in various countries. The Company has registered its vaccines in around 12 countries with further registrations in around 9 countries expected in the near future. The Company is targeting to enter emerging markets with sizeable birth cohort (3-5 mn) to expand its vaccine business.

Panacea Biotec is supporting global cause of providing affordable vaccines to the children across the globe. The Company is a member of Developing Countries Vaccine Manufacturers Network (DCVMN), a public health driven international alliance of manufacturers and shares common vision and mission of combating infectious diseases and accelerating access to affordable high-quality vaccines.

PHARMACEUTICAL FORMULATIONS BUSINESS

Panacea Biotec has an established business of pharmaceutical formulations in India and exports its products to over 30 countries worldwide including the United States, Germany, Russian Federation, Turkey, Bosnia, Tanzania, Kenya, Serbia, Vietnam, Philippines, Sri Lanka, Panama, Ecuador, Trinidad & Tobago, etc.

During the financial year 2019-20, the Company has transferred its pharmaceutical formulations business including pharmaceutical formulations facility at Baddi and related research & development and natural products extraction activities at Lalru, to its wholly owned subsidiary viz. Panacea Biotec Pharma Limited ("Panacea Biotec Pharma" or "PBPL") by way of slump sale on going concern basis with effect from February 1, 2020. The process of getting the product registration / marketing authorisation with respect to the international business transferred to Panacea Biotec Pharma has largely been completed.

Domestic Pharmaceutical Business

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

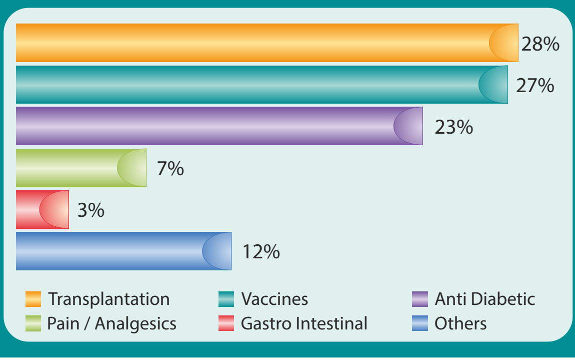
Panacea Biotec Pharma has attained 10^{th} position in its represented Therapeutic Market and is also amongst the Top 65 Pharmaceutical Companies catering Indian Pharmaceutical Market as per the AIOCD AWACS (MAT March 2021) sales data.

During the year, performance was boosted by continued product supply and high performance of key brands. For the coming year, Panacea Biotec Pharma has taken more strategic initiatives for all SBUs and expects further improved performance in the business.

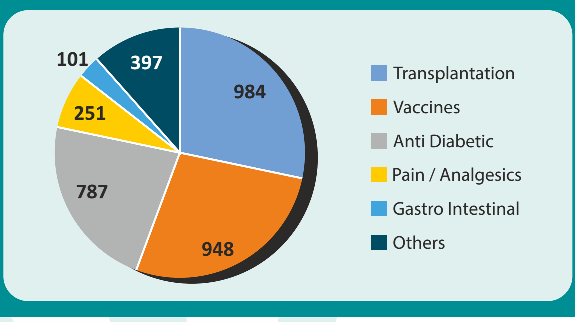
The pharmaceutical formulations business in India has been structured among 4 Strategic Business Units (SBUs) - 2 SBUs for Super-Specialty Business as Transplantation & Immunology and OncoTrust whereas other 2 SBUs for Acute & Chronic Care Business namely Diacar Alpha and Procare.

As per AIOCD AWACS (MAT March 2021) sales data, therapeutic category wise market share in respective represented market and sales in Indian market including vaccines is graphically represented below:

Panacea Biotec Market Share (%) in Therapy CVM



Therapy Wise Sale (Rs. million) in CVM



(Source: AIOCD AWACS MAT March'21 Sales data)

Panacea Biotec Pharma's leading brands are well recognized and respected by the medical fraternity and command significant market share in their respective represented market. As per the AIOCD AWACS (MAT March 2021) Sales Data, the Company's top selling brands viz., PanGraf®, Alphadol®, Cilamin® and Livoluk® Fibre were ranked number 1 whereas Glizid®, Glizid-M®, Glizid-MV®, Mycept®, Mycept-S®, Sitcom®, KONDRO® and Nimulid® were amongst the top 5 brands in their respective markets.

As per the AIOCD AWACS (MAT March 2021) sales data, Panacea Biotec Pharma's rank in respective therapeutic category represented markets in India is as follows:

Therapeutic Category	Rank in CVM
PBPL Rank in RPM	**10**
Transplant	1
Anti-Diabetic	15
Gastro Intestinal	14
Pain / Analgesics	13
Oncology	12

The revenues were well balanced between acute and chronic therapies. Key brands across these therapies continued to perform in the market and many of the brands maintained leading position in their respective markets. The Brand's rank in respective therapeutic category in the covered market is as follows:

Brand	Covered Market (CVM)	Brand Rank in CVM
PanGraf®	Tacrolimus	1
Alphadol®	Alfacalcidol	1
Cilamin®	Penicillamine	1
Livoluk® Fibre	Lactulose + Ispaghula	1
Mycept®	Mycophenolate Mofetil	2
Sitcom® Tab	Varicose Therapy, Systemic (Haemorrhoids/ Piles management)	2
Sitcom® LD Cream	Topical Anti-Haemorrhoidals Without Corticosteroids (Haemorrhoids/ Piles management)	2
Nimulid®-MD	Nimesulide	3
Glizid-M®	Gliclazide + Metformin	3
Mycept-S®	Mycophenolate Mofetil	3
Glizid-MV®	Voglibose + Metformin + Gliclazide	3
Nimulid®	Nimesulide	4
Glizid®	Gliclazide	5
KONDRO®	Glucosamine	5

Transplant & Immunology SBU

Worldwide, India is second only to United States in terms of number of transplant surgeries being performed every year, however it still lags far behind the western nations like Spain (46.9 per million population (pmp)) and United States (31.96 pmp) in national donation with a donation rate of only 0.86

pmp (2020) of its huge population. According to the World Health Organization, only around 0.01 percent of people in India donate their organs after death. It is estimated that there is a need of approx. 200,000 kidneys, 50,000 livers and 50,000 hearts for transplantation per year whereas only 7,000 people undergo kidney transplant, 1,100 undergo a liver transplant and only 100 undergo heart transplant (Pre-Covid-19 scenario in 2019), which has further reduced significantly in 2020 due to Covid-19 situation.

Transplant & Immunology SBU has been supporting Transplant Recipients with a goal to enhance awareness for deceased organ donation in the society. The product portfolio comprises immune-suppressive products that help improve the quality of life of patients who have undergone organ transplantation, primarily kidney, liver or heart transplants. The Transplant SBU has been supporting the clinicians and the patients from last 28 years and over 35,000 patients are successfully consuming the Company's high quality brands. In view of the Covid-19 pandemic situation, where patients are increasingly found it difficult to access the essential life-saving medicines, Transplant SBU took a number of initiatives in 2020-21 as under:

- Launch of 24X7 helpline number with multi-lingual capabilities to support the patients with doorstep delivery of essential medicines. Helpline number was extensively promoted through newspaper advertisements and electronic media.
- Doctor connect activities through Live Webinars in collaboration with leading associations.
- Patient connect activities, digital marketing initiatives on social media through dedicated facebook page 'Transplant Care Helpline'.
- Increase in retail availability by creating a dedicated network of ~700 channel partners.
- Putting the 'patient's interest first', Mycept®, Mycept-S® & VagaCyte™ were made more affordable and accessible to the patients.

The key brands under this SBU are PanGraf® (tacrolimus), Panimun Bioral® (cyclosporine), Mycept® (mycophenolate mofetil), Mycept-S® (mycophenolate sodium), Alphadol® (alfacalcidol). The main brands of the SBU viz. PanGraf® & Alphadol® continue to maintain leadership position in their respective covered markets, as per the AIOCD AWACS (MAT March 2021) sales data. PanGraf® has maintained its leadership position in Tacrolimus market in India since more than a decade with around 66% market share as per AIOCD AWACS (MAT March 2021) sales data, while in the Mycophenolate market, Mycept® & Mycept-S® have been ranked as number-2 and number-3 brand respectively. Alphadol® is the leading brand in the Alfacalcidol market with 92% market share as per AIOCD AWACS (MAT March 2021) sales data. Transplant SBU has launched Mycept® Suspension (mycophenolate mofetil oral suspension) in August, 2019 which has further strengthened the immuno-suppressant portfolio.

The transplant and immunology SBU is the highest contributor to revenues from domestic pharmaceutical formulations business, with 35% of net domestic pharmaceutical formulations revenues being generated by this SBU in fiscal 2021.

OncoTrust SBU

This SBU is dedicated towards cancer related pharmaceutical products and through this SBU, Panacea Biotec seeks to provide products that provide cancer patients with affordable and quality chemotherapy and cancer management. As on March 31, 2021, this SBU has 15 products for lung, breast and colorectal cancers, as well as gliomas, haematomas and for supportive care.

Panacea Biotec was the first Indian Company to launch PacliALL® a brand of Nab-Paclitaxel, for the management of Breast Cancer. Breast cancer is the leading cause of cancer-associated mortality in women worldwide. It has grown disproportionately in incidence within the developing world, especially in countries with low socio-demographic index. Breast cancer has become the top ranked cancer in India with age-adjusted incidence rate of 25.8 per 100,000 women.

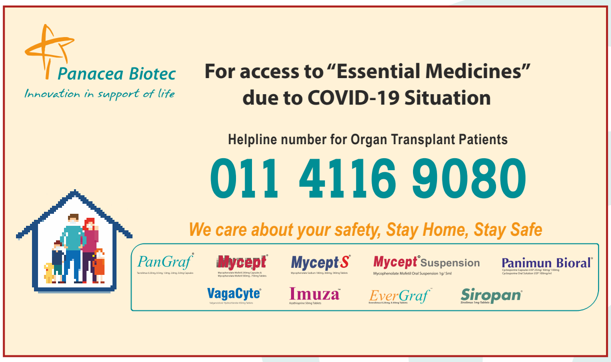
PacliALL® (nab-paclitaxel) is a novel drug delivery system that also circumvents the need of premedication with steroids to prevent hypersensitivity reactions. Treatment with PacliALL® (nab-paclitaxel) during clinical trials has resulted in excellent outcomes among patients with MBC, and in significant efficacy in heavily pretreated, taxane-refractory MBC patients.

PacliALL®, the flagship brand of the Company, which was awarded with Brand of the Year Award 2011 by Bio-Spectrum (Now Clarivate Analytics), continues to be No.1 brand in nab-paclitaxel market and has saved the lives of more than 14,000 patients till now, and is one of the most admired brands for the treatment of breast cancer.

During the current year i.e. FY 2021-22, PacliALL® has completed a decade of Evidence, Excellence and Experience in passing benefits to patients.

The other major brands of the SBU include AZAFAB® (azacitidine), BorteTrust® (bortezomib), DoceTrust® (docetaxel trihydrate), PexeTrust® (pemetrexed disodium), GemTrust® (gemcitabine hydrochloride) and other cytotoxic injections.

During the year under review, Panacea Biotec has launched, Dasatinib, a chemotherapy drug sold under the brand name Dasapan™ which is a targeted therapy used to treat certain



cases of chronic myelogenous leukemia & acute lymphoblastic leukemia and Sunitinib, sold under brand name Tunib®, an oral, small molecule, multi-targeted Receptor Tyrosine Kinase. With the launch of Tunib®, for the first time, the Company has entered into a new therapy area of Renal Cell Carcinoma, with a vision to become the most preferred partner for accessible & better care for the patients.

Diacar Alpha SBU

The Indian Diabetes Market is valued at around Rs.149.3 billion as per AIOCD AWACS MAT March 2021. India is home to an estimated 77 million diabetics, making it the second most affected country in the world after China. International Diabetes Federation (IDF) estimates Indian diabetics population to increase to 134 million over the next 25 years. The growing burden of Diabetes makes it one of the most common risk factor for all-cause morbidity & mortality. Diabetes related complications affect the most common vital organs like Heart, Brain, Kidneys, Eyes and Nerves.

The Diacar Alpha SBU with a dedicated marketing and sales team of more than 330 people, has been focusing on improving the awareness, screening and detection for diabetes & related complications. During the year, Diacar Alpha SBU has conducted more than 450 A1C camps, 9,000 DDC camps & 16,000 OPD camps by touching over 1,00,000 patients through its "SURAKSHA" initiative. This continuous service orientation has given your Company a strong foothold in the fiercely competitive anti-diabetic market.

Diacar Alpha SBU focuses on key specialties such as endocrinologists, diabetologists, cardiologists and physicians, to address the high incidence rates of diabetes and hypertension in India and is the second highest revenue contributing SBU, with 33% of net domestic pharmaceutical formulations revenues in Fiscal 2021 being generated by this SBU.

Product range of Diacar Alpha SBU ranges from catering to first line therapy in diabetes management with its brand Metlong™ (metformin) to a second line treatment option of a Sulphonyl Urea - Glizid® (gliclazide) and DPP4 - inhibitors - ViLACT™ (vildagliptin), TENEPAN™ (teneligliptin) along with supportive therapies in management of Diabetic Neuropathy with its Myelogen® range. The Diacar Alpha SBU stands strong and committed to provide quality life years to the diabetic population. SBU recently launched DapaBest®(dapagliflozine) in this space.

The flagship brands of Diacar Alpha SBU, viz. Glizid-M®, Glizid® and Glizid-MV® are amongst top 5 brands in its respective market segment. Recently launched brands ViLACT™ (vildagliptin) and ViLACT-M® (vildagliptin and metformin) are gaining momentum in the fierce generic market.

Procare SBU

Procare SBU caters to the orthopedic and gastroenterology related chronic care therapies, through focus on specific disease management. Within orthopaedics, the focus is on osteoporosis, osteoarthritis and rheumatoid arthritis management and within gastroenterology, the focus is on constipation, anorectal disorders, acid-peptic disorders and liver disease management through its established brands and engagement with consulting physicians, orthopedic, gastroenterologists and general surgeons.

The Procare SBU has established its flagship brands Sitcom®, Livoluk® and KONDRO® amongst the top 5 brands in their respective represented market as per the AIOCD AWACS (MAT March 2021) sales data.

Apart from flagship brand of Sitcom® (euphorbia prostrata), Sitcom® Forte (euphorbia prostrata and calcium dobesilate), Livoluk® (lactulose) and Sitcom®-LD Cream, the SBU has anti-inflammatory and muscle relaxant products including Willgo®CR (aceclofenac 200mg SR), Willgo®P (aceclofenac 100mg, paracetamol 325mg), Willgo®TH4 & Willgo®TH8 (aceclofenac and thiocolchicoside) and Willgo®SP (aceclofenac 100mg, serratiopeptidase 15mg as enteric coated granules and paracetamol 325mg) and osteoarthritis range with KONDRO®OD (glucosamine 1500mg), KONDRO®ACUTE (glucosamine 1500mg and diacerin 15mg) and KONDRO®FLEX (glucosamine 1500mg, collagen peptides 10gm and vitamin c 35mg) intended for pain management in patients suffering with Rheumatoid Arthritis and Arthritis.

International Pharmaceutical Business

Panacea Biotec Pharma exports its pharmaceutical formulations in around 30 countries including the United States, Germany, Russian Federation, Turkey, Bosnia, Tanzania,

Kenya, Serbia, Vietnam, Philippines, Sri Lanka, Panama, Ecuador, Trinidad & Tobago etc. It continuously takes steps to strengthen and grow its exports in the coming years including building a strong portfolio, strengthening marketing team, entering into newer markets, identifying strong distributor and marketing partners into newer regions and registering products in more countries as well as strengthening existing relationships with the partners. It has further continued its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets in several countries. Simultaneously, Panacea Biotec Pharma has consolidated its international pharmaceutical business by eliminating loss making products, markets etc.

During the year, the export revenues have grown by 17% to Rs.1,305.92 million from Rs.1,117.14 million during previous financial year, on account of increase in export sales primarily to ICH markets which has grown by 54% as compared to previous financial year.

The Company has entered into a tripartite agreement with Natco Pharma Ltd. and Breckenridge Pharmaceutical Inc., USA for manufacturing and supply of Azacitidine Injection for the US market under Breckenridge's already-approved ANDA (the generic equivalent of Vidaza® marketed by Celgene Corp, US). The supplemental abbreviated new drug application (sANDA) submitted by Natco as "Prior Approval Supplement" has been approved by the USFDA on May 06, 2019. The Company has received USFDA approval for this product and has launched the same in USA during financial year 2019-20 through Breckenridge.

The Company's Abbreviated New Drug Application (ANDA) submitted under section 505(j) of the Federal Food, Drug & Cosmetics Act (FD&C Act) for Paclitaxel Protein bound particles for Injectable Suspension 100mg/vial had been accepted for filing by the USFDA and the approval is in process. In addition, the approval process for other ANDAs filed earlier with the USFDA is in progress. Panacea Biotec Pharma plans to launch these products in US, Europe, etc. through strategic collaborations with leading pharmaceutical companies.

Panacea Biotec Pharma continues to focus on building a robust pipeline of several products for filing in several other emerging markets which it will be filing in the next 1-2 years to further strengthen its export portfolio and grow export sales.

Supply Chain Management & Logistics Network

Panacea Biotec has a well-established Supply Chain Management (SCM) system designed for creating end-to-end visibility and controls right from sourcing of materials till collection of receivables for both the pharmaceuticals and vaccines products.

The Company has a strong logistics network comprising of one Central Warehouse and 14 Sales Depots / Carrying & Forwarding Agents (CFAs) (comprising of Vaccine AVDs). Vaccine availability across India is ensured through vast distributor network of around 550 distributors as on March 31, 2021, which enable us to have a pan-India presence and access to a wide market base.

Panacea Biotec Pharma also has a strong logistics network comprising of one Central Warehouse and 23 Sales Depots / CFAs. Product availability across India is ensured through vast distributor network of around 2,200 distributors as on March 31, 2021, which enable us to have a pan-India presence and access to a wide market base.

The Company has got expertise in cold chain management for storage and distribution of vaccines under controlled conditions using a system of Vaccine Vial Monitors (VVMs), data loggers, ice boxes, coolant, cold rooms, refrigerated vehicles and Tyvek sheet for sending temperature controlled products overseas and across India directly from its Vaccine Formulation Facility at Baddi, H.P. This ensures that the Vaccines remain safe and effective against changes in the variant temperature conditions during transit. The SCM team is committed to ensure timely availability of Company's products to its business partners and patients.

Panacea Biotec has a well-established Track and Trace system and documentation quality to ensure that goods reach destination timely and to avoid demurrage and detention charges. Panacea Biotec has optimized raw material, packaging material, finished good inventory to achieve maximum inventory turn and to minimize expiry. The Company collaborated & appointed world class logistics providers with proven record of timely delivery of goods in important markets.

MANUFACTURING FACILITIES

Vaccines Formulation Facility at Baddi

The Company's state-of-the-art manufacturing facilities for vaccine drug substances and drug products, comply with the cGMP practices of the key International regulatory bodies like WHO cGMP standards.

The Vaccine Formulation Facility which started its operations in the year 2008 is comprised of two blocks. The production block is spread over approx. 2,800 M^2 construction areas at each floor. The warehouse cum cold storage block measures approx. 3 x 2500 M^2.

The facility has two independent formulation suites and three filling lines for manufacturing of bacterial, viral and recombinant Vaccines including live attenuated vaccines in pre-filled syringe (PFS) and multi-dose and single dose vial presentations. The facility also has large lyophilization capacity for lyophilized vaccines in vials. This facility is approved by Indian NRA and is also pre-qualified by WHO for the pentavalent vaccine Easyfive-TT® & Bi-OPV®. There is an additional vial filling line for manufacture of live, attenuated vaccines including oral polio, measles, dengue vaccines, Covid-19 vaccine etc.

The warehouse facility is equipped with cold storage and deep freezer for cold chain maintenance and dispatch management of vaccines.

Quality control laboratories of the facility are equipped with assortment of latest sophisticated analytical equipment for testing of vaccines and input materials to assure quality of the product at each stage of manufacturing.

Drug Substance & Biosimilar facilities at Lalru

The Company has drug substance manufacturing facility which started its operations in the year 2002 with separate blocks for manufacture of recombinant, bacterial and viral vaccine drug substance. An integrated block for vaccines and bio pharmaceuticals is also established which comprises of three independent suites dedicated for manufacture of:

a) bacterial vaccines,

b) viral vaccines, and

c) recombinant e.g. biosimilar molecules on cell culture in both conventional as well as disposable formats.

Recombinant Hepatitis B surface antigen, Haemophilus influenza type B conjugate (Hib-TT), Diphtheria, Tetanus Toxoids and whole cell Pertussis drug substance are manufactured at these facilities. The facility is also approved by WHO for producing bulk antigen of hepatitis B and Hib used for the manufacture of pentavalent vaccine Easyfive-TT®.

Pharmaceutical Formulations Facility at Baddi

Panacea Biotec Pharma's state-of-the-art pharmaceutical formulations facility at Baddi, Himachal Pradesh became operational in year 2006. The facility is quipped for bilayer tablets, mini-tablets, complex sustained release coatings and delayed release coatings. The facility has received several certifications and accreditations from international regulatory authorities including USFDA, Agency for Medicinal Products and Medical Devices of Croatia, Federal Service for Surveillance in Healthcare (Russian Federation), Ministry of Health Ukraine, ANVISA (Brazil), SAHPRA (South Africa) etc.

Quality is a core guiding factor behind Panacea Biotec's decisions and actions. Panacea Biotec Pharma maintains a harmonized Pharmaceutical Quality System (PQS) that caters to all markets. Some of its pharmaceutical formulation products are routinely supplied to low-income countries under access programs through international agencies such as PAHO.

Pharmaceutical Formulations Facility, Baddi

Panacea Biotec Pharma has dedicated and independent Quality Control facilities in the manufacturing plants comprising of sample preparation with isolator containment, wet lab, lab for atomic absorption spectroscopy, dissolution testing and stability testing as per ICH Guidelines, a packaging-material testing laboratory and a fully self-contained microbiology lab to carry out tests for microbial counts, microbiological assays and assessing environment controls.

Panacea Biotec Pharma's pharmaceutical manufacturing expertise lies in various solid, semi-solid & liquid oral dosage forms and vaccines such as:

- Oral-solids - conventional tablets / capsules, controlled / delayed release / enteric coated tablets and capsules, tablet in tablet, tablet in capsule, multi layered capsules, hard gelatin / soft gelatin capsules, mouth dissolving / chewable tablets, beads encapsulation, coating (film, sugar & functional), taste masking and fast-dissolving tablets;
- Semi-solids - ointments / creams / gels, transdermal drug delivery system;
- Liquids - suspensions / syrups / solutions.

Oncology Facility at Baddi

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

RESEARCH & DEVELOPMENT

Panacea Biotec is a progressive, Innovative biotech company with high focus on research & development, manufacturing, marketing operations across pharmaceuticals, vaccines and natural or herbal products. The Company is guided by its vision of "Innovation in Support of Life". Panacea Biotec specialises in complex generics, vaccines, and novel drug delivery platforms to offer higher value and better health outcomes for the patients, governments and overall society.

Panacea Biotec's research and development efforts have been its greatest strength. The areas of research are New Chemical Entities (NCE), New Biological Entities (NBE), Novel Drug Delivery System (NDDS), Novel peptides, human monoclonal antibodies and Vaccines. Its ambitions are backed by distinguished, ultra-modern, state-of-art R&D centres with over 60 scientists with deep roots within the academic community in important clusters in India, USA and Germany among other countries.

Vaccine R&D Center has an excellent portfolio of innovative pediatric vaccines which protect children against dreadful diseases. Further to broaden the presence of Panacea Biotec in the market, the Vaccine

SAMPANN Drug Delivery Research and Development Center, Lalru

R&D is developing the new generation vaccines like typhoid conjugate, pneumococcal conjugate and tetravalent dengue vaccine. Other vaccines which are in the pipeline include Sabin Inactivated Polio vaccine (sIPV), Tetanus and Diphtheria vaccine, Varicella vaccine and fully indigenous wP based pentavalent vaccine.

The R&D activities to carry out research in vaccines use advanced genetic engineering, molecular biology, genomics tools, animal cell culture, fermentation, purification, serological, thermal stabilization and analytical techniques. The Company believes in its innovative vaccine program that will consistently deliver Next Generation Vaccines to safeguard the future of children and help alleviate poverty across the world.

Panacea Biotec's R&D efforts have resulted in filing over 485 patent applications in over 65 countries including India, which include patent applications pending grant and patent applications which were prosecuted. As of March 31, 2021, the Company has been granted over 460 patents globally (out of which 34 are active) some of which have been transferred to Panacea Biotec Pharma and one of which is filed in the name of Panacea Biotec Pharma. Some of the countries where patents have been granted are USA, Germany, Mexico, Brazil, Australia, South Africa, Japan, Russia, Canada, Ukraine, Korea, etc.

Panacea Biotec continues to focus on Research & Development in various therapeutic areas with a constant focus on developing difficult-to-develop formulations focused on chronic and super specialty therapeutic areas. Panacea Biotec has deep experience in developing innovative drug delivery based products such as Nimulid®-MD, Nimulid® Transgel, PacliALL®, Livoluk® Fibre, ODPEP™, Willgo®CR and many other such products that enjoy considerable brand equity amongst physicians.

Panacea Biotec's nanotechnology-based product PacliALL® (Paclitaxel bound in human albumin particles) was launched in 2011. At the time, it was the world's first generic for Abraxane, manufactured by Celgene, USA. As a First-to-file product in the USA, PacliALL® demonstrates the Company's ability to handle the most complex generics and deliver a high-quality product in constrained and challenging timelines.

Panacea Biotec has been amongst the first companies to have introduced its own New Chemical Entity in India under the trademark of Sitcom® tab and Sitcom® cream in the year 2008 and is today amongst the leader brands in India for the treatment of Hemorrhoids.

In the field of Pharmaceutical research, Panacea Biotec has developed different innovative technologies such as hydro gel based topical drug delivery system of peptides and herbal drugs, solid-solid dispersion for highly variable drugs, Self-emulsifying drug delivery system (SEDDS) and controlled release drug delivery systems in different therapeutic areas.

Clinical Research

Clinical research is a critical function that guides clinical decisions based on facts and scientific data through clinical studies on drugs that can affect the health and well-being of millions of people.

Panacea Biotec continuously undertakes clinical trials (Phase I, Phase II and Phase III) for all its investigational new drug applications as well as bioequivalence studies (as per New Drugs and Clinical Trials Rules 2019) for its innovative and generic product portfolios across both vaccines and pharmaceutical products.

Panacea Biotec has conducted over 150 Pre-clinical trials, over 10 Phase I trials, around 8 Phase II trials, around 103 Phase III trials and BA / BE studies across its novel pharmaceutical and vaccine portfolio. As part of its commitment to patient well-being, the Company regularly conducts Post Marketing Surveillance studies.

In vaccine business clinical trials, DengiALL® Phase I/II Studies & 11 Valent Pneumococcal Vaccine (NucoVac®) Phase I Studies have been successfully completed.

Intellectual Property

Panacea Biotec has a strong portfolio of intellectual property in the form of patents, trademarks and copyrights in both vaccines and pharmaceutical formulations business. As of March 31, 2021, Panacea Biotec has filed over 485 patent applications in over 65 countries including India, which include patent applications pending grant and patent applications which were prosecuted. As of March 31, 2021, the Company has been granted over 460 patents globally (out of which 34 are active) some of which have been transferred to Panacea Biotec Pharma and one of which is filed in the name of Panacea Biotec Pharma. Some of the countries where patents have been granted are USA, Germany, Mexico, Brazil, Australia, South Africa, Japan, Russia, Canada, Ukraine, Korea, etc.

Panacea Biotec Group has filed 880 trademark applications for registrations, out of which 283 have been registered in India and 253 have been registered outside India as on March 31, 2021, some of which have been transferred to Panacea Biotec Pharma. Further, Panacea Biotec Group has 167 registered copyrights as on March 31, 2021.

As on March 31, 2021, Panacea Biotec Pharma has filed 160 trademark applications for registrations, out of which 100 have been registered in India (13 are pending for registration in India) and 42 have been registered outside India (5 are pending for registration in international markets) as on that date. Further, Panacea Biotec Pharma has 49 registered copyrights as on March 31, 2021.

Human Resources

The Company thrives to provide a long and rewarding career to its talented and diverse workforce and focuses on their all-round development and growth. At Panacea Biotec, employees are the core strength of its continuous growth in all the segments. The Company believes that its employees are pivotal to all the initiatives that drive the growth of the business. The Company continues to invest in creation of a work culture representing a unique mix of its values and functional expertise and employees are partner to achieve Vision of the Company.

As on March 31, 2021, Panacea Biotec and PBPL has a total manpower of around 2,895 employees (including around 422 through contractors), of which over 2,256 are skilled employees including corporate and managerial staff, sales staff and staff located at its manufacturing facilities. There are over 80 R&D professionals including over 60 scientists engaged in R&D centers, around 793 employees are engaged in production, quality control and quality assurance and around 1,000 employees engaged in sales & marketing and logistics and around 618 in other functions.

Further, out of the total employees, around 1,698 employees (including around 238 through contractors) are the employees of Panacea Biotec Pharma.

Panacea Biotec provides meaningful opportunities for learning and growth and continuously encourage its employees to widen the horizon for professional growth. Panacea Biotec provides opportunities for employees to multi-skill and multi-task. Panacea Biotec strongly believes in developing and grooming leaders from within the organization. Panacea Biotec's endeavour has been to create a culture of high performance where people continue to push boundaries of growth and self-development.

Panacea Biotec's Human Resources team aims to become progressive and employee centric and continues to proactively drive and implement various initiatives such as vertical and horizontal promotional opportunities, internal talent development and management, investing in key talent and helping them pursue additional learning's in an attempt to make them more rounded individuals, corporate ethics training across all the functions and many other such initiatives. The Human Resources team continuously utilizes data analytics to develop internal talent, undertake proactive approach towards hiring talented people in selective critical functional areas aligned with Panacea Biotec's growth ambitions.

Strategic partnerships and collaborations

Panacea Biotec has established relationships with various key business associates, including institutional customers for its products, strategic partners for entry into new international markets and domestic & international distributors who distribute its products across the world. Panacea Biotec has a long-standing relationship with the UNICEF and the Government of India, which has helped in participating in immunization programs in India and globally.

Panacea Biotec's collaborations has enabled it in developing innovative, cost effective and quality vaccines and helped in achieving its goal of providing cost-effective vaccines to the global population. Panacea Biotec's collaborations include its collaboration with Limited Liability Company "Human Vaccine" ("HV") (an indirect subsidiary of the Joint Stock Company, Management Company of Russian Direct Investment Fund ("RDIF") for manufacturing of Sputnik-V Vaccine against the Covid-19 pandemic; its partnership with Intravacc, the Netherlands for transfer of technology for the Sabin Inactivated Polio Vaccine (sIPV) and related quality control testing for commercialization in India and other international markets; partnership with the National Institutes of Health, USA for development and commercialization in Asian and African countries of its licensed tetravalent dengue vaccine candidate and its partnership with Serum Institute and its subsidiary for supply of one of the key constituents for the EasySix™ vaccine and for introduction of hexavalent vaccine in national immunization programs in developing countries.

Panacea Biotec has established relationships with key business associates, including institutional customers for its products, strategic partners for entry into new international markets and domestic & international distributors across the world.

Panacea Biotec has entered into key partnerships with global pharmaceutical companies such as Apotex, Bionpharma, Natco and Breckenridge for marketing of pharmaceutical formulations in USA and other international markets, which has helped Panacea Biotec in expanding its reach and access to new regulated markets. In collaborations with Apotex, Panacea Biotec has launched Prasugrel tablets in the United States and further collaborated for R&D, license and supply of Paclitaxel protein bound particles for injectable suspension in the United States, Canada, Australia and New Zealand and several other countries. In collaboration with Bionpharma, Panacea Biotec has launched Tacrolimus and Rizatriptan Benzoate tablets in the United States and has four ANDAs filed with USFDA which are under approval. Panacea Biotec's collaboration with Natco and Breckenridge is for manufacturing and supply of Azacitidine injection in the United States.

Internal Audit & Internal Financial Control System

Panacea Biotec has a comprehensive internal control system that commensurate with its size and nature of operations. This system spans across the organization including all the manufacturing and research & development facilities, warehouses & sales offices besides corporate office.

The internal financial controls have been developed and implemented at each business process across Panacea Biotec. The user level responsibilities are constantly shared with key users for their implementation and compliance. Checks & balances and control systems have been established to ensure that assets are safeguarded, utilized with proper authorization and recorded in the books of account. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring.

Further, internal audits are conducted periodically by PriceWaterhouseCoopers LLP (PWC), the internal auditors of Panacea Biotec, an internationally renowned independent firm of Internal Auditors. The Audit Committee of Panacea Biotec actively reviews the adequacy and effectiveness of internal controls, internal audit systems and advises improvements as may be required. Post audit follow-ups are carried out to ensure identified risks are addressed and recommendations of the Audit Committee are implemented.

Panacea Biotec has established and maintained adequate and effective internal financial controls over financial reporting (IFCoFR) in accordance with the framework. Panacea Biotec with the help of the independent Internal Audit firm has performed an overall design assessment of the business processes as part of the Internal Financial control reviews. This includes review of policies and procedures adopted by Panacea Biotec for ensuring the orderly and efficient conduct of its business and fixing responsibility against all the controls. The design assessment was followed up by the management testing of the controls across processes.

FINANCIAL PERFORMANCE

Summarized Consolidated Balance Sheet

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Assets:		
Fixed assets	6,431.16	6,813.93
Financial assets	68.98	18.71
Other non-current assets	178.31	237.65
Current assets	4,742.26	3,594.97
Asset classified as held for sale and discontinued operations	367.45	3,237.74
Total Assets	11,788.16	13,903.00
Equity & Liabilities:		
Total Equity	(2,316.93)	1,957.49
Non-current liabilities	9,848.46	7,426.03
Current liabilities	4,256.63	4,135.12
Liabilities directly associated with discontinued operations	-	384.36
Total Liabilities	11,788.16	13,903.00

Fixed Assets: The net fixed assets have decreased to Rs.6,431.16 million as against Rs.6,813.93 million as at the end of previous year mainly on account of depreciation during the year under review.

Non-current Financial Assets: Non-current financial assets include long-term investments, loans and other long-term financial assets. The non-current financial assets as at March 31, 2021 have increased to Rs.68.98 million from Rs.18.71 million as at the end of previous year.

Other Non-Current Assets: Other non-current assets include deferred tax asset (net of MAT credit) and other non-current assets. The non-current assets as at March 31, 2021 have decreased to Rs.178.31 million as against Rs.237.65 million as at March 31, 2020 mainly due to realization of the investment in joint venture upon its liquidation.

Current Assets: Current assets include inventories, trade receivables, cash & cash equivalents, other bank balances, short term loans and other current assets. Total current assets have increased to Rs.4,742.26 million from Rs.3,594.97 million as at the end of fiscal 2020 mainly due to increase in the inventories, trade receivables and other current assets.

Total Equity: The Total Equity turned negative at Rs.2,316.93 million as at March 31, 2021 as compared to Rs.1,927.49 million as at March 31, 2020, mainly on account of the demerger of real estate business.

Non-Current Liabilities: Non-current liabilities include long term borrowings (excluding current maturities), provisions and other non-current liabilities. The non-current liabilities as at March 31, 2021 have increased to Rs.9,848.46 million as compared to Rs.7,426.03 million as at March 31, 2020. The increase is mainly on account of increase in the accrued interest on non-convertibles debentures issued by PBPL.

Current Liabilities: Current liabilities include short-term borrowings, trade payables and other current financial liabilities (including current maturities of long term borrowings). The current liabilities as at March 31, 2021 have increased to Rs.4,256.63 million as compared to Rs.4,135.12 million as at the end of previous year, mainly due to increase in trade payables.

Liabilities directly associated with discontinued operations: This represents liabilities directly pertaining to the Company's real estate business (demerged into Ravinder Heights Ltd.) which were considered as discontinued operations as per the Ind-AS. Total liabilities associated with discontinued operations as at March 31, 2021 has reduced to Nil as compared to Rs.384.36 million upon completion of demerger of real estate business.

Summarized Consolidated Statement of Profit & Loss

Continuing Operations

Income from Operations

Revenue from Operations: The consolidated revenue from operations increased by 14.84% from Rs.5,440.62 million for Fiscal 2020 to Rs.6,248.05 million for Fiscal 2021, primarily due to increase in revenue from vaccine business driven by

(Rs. in million)

Particulars	For the year ended	
	March 31, 20201	March 31, 2020
Continuing operations:		
Revenue from operations	6,248.05	5,440.62
Materials & Finished Goods Purchases	2,046.31	1,567.95
Employee benefits expense	1,561.73	1,423.21
Other expenses	1,873.72	2,135.87
Finance Costs	1,853.35	1,739.80
Depreciation and amortization expense	455.94	432.19
Other Income	99.77	296.87
Profit/ (Loss) before tax and exceptional items	(1,443.23)	(1,561.53)
Share of profit of joint venture	0.77	3.30
Exceptional items	-	(153.97)
Profit/ (Loss) Before Tax	(1,442.46)	(1,712.20)
Provision for Taxes (including deferred tax)	19.57	166.40
Profit/(Loss) after Tax from continuing operations	(1,462.03)	(1,878.60)
Profit/(Loss) after Tax from discontinued operations	(14.55)	(64.36)
Other comprehensive income (net of tax)	8.20	27.54
Total comprehensive income	(1,468.38)	(1,915.42)
Basic & Diluted EPS* from continuing operations	(23.87)	(30.67)
Basic & Diluted EPS* from discontinued operations	(0.24)	(1.05)
Total Basic and Diluted EPS*	(24.11)	(31.72)

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

increase in sales of hexavalent vaccine in private market in India, higher sales of pentavalent vaccines to institutions and higher export sales in the pharmaceutical business, primarily in ICH markets.

Other Income: Other income has decreased by 66.39% from Rs.296.87 million for Fiscal 2020 to Rs.99.77 million for Fiscal 2021, primarily due to higher write back of excess provisions during Fiscal 2020.

Expenditures

Materials & Finished Goods purchases: The raw & packing materials and finished goods purchases have increased to Rs.2,046.31 million as against Rs.1,567.95 million during previous financial year, mainly on account of higher revenue from operations.

Employee benefits expenses: The employee benefits expenses have increased by 9.73% from Rs.1,423.21 million for Fiscal 2020 to Rs.1,561.73 million for Fiscal 2021, primarily on account of increase in manpower and annual increment in salaries and wages.

Other Expenses: The other expenses have decreased by 12.27% from Rs.2,135.87 million for Fiscal 2020 to Rs.1,873.72 million for Fiscal 2021, primarily due to decrease in allowance for expected credit loss and doubtful advances, decrease in loss on sale of property and decrease in travelling & conveyance and meeting & conference expenses.

Finance costs: Finance costs comprising of interest and bank charges has increased by 6.53% from Rs.1,739.80 million for Fiscal 2020 to Rs.1,853.35 million for Fiscal 2021. This increase was primarily on account of increase in accrued interest on existing debts as per the terms of debts.

Depreciation and amortization expenses: Depreciation and amortization expenses have increased by 5.50% from Rs.432.19 million for Fiscal 2020 to Rs.455.94 million for Fiscal 2021, primarily due to additional equipment purchased in Fiscal 2021 forming part of the recurring capital expenditure.

Loss Before Tax: The loss before tax from continuing operations decreased by 15.75% from Rs.1,712.20 million for Fiscal 2020, to loss of Rs.1,442.46 million for Fiscal 2021, as a result of the factors discussed above and absence of any exceptional items during Fiscal 2021.

Loss After Tax: The total loss for the year from continuing operations decreased by 22.17% from Rs.1,878.60 million for Fiscal 2020, to loss of Rs.1,462.03 million for Fiscal 2021, as a result of the factors discussed above.

Loss after tax from discontinued operations

The net loss after tax from discontinued operations decreased by 77.39% from Rs.64.36 million in Fiscal 2020 to Rs.14.55 million for Fiscal 2021.

Earnings per Share

The basic and diluted EPS from continuing operations was negative Rs.23.87 per share for Fiscal 2021 as against negative EPS of Rs.30.67 per share for Fiscal 2020. The basic and diluted EPS from discontinued operations was negative Rs.0.24 per share for Fiscal 2021 as against negative EPS of Rs.1.05 per share for Fiscal 2020. Overall basic and diluted EPS from continuing and discontinued operations was negative Rs.24.11 per share for Fiscal 2021 as against negative EPS of Rs.31.72 per share for Fiscal 2020.

Summarized Consolidated Cash Flow statement (Continuing and Discontinued Operations)

(Rs. in million)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Cash Flows from:		
Operating Activities	1,067.64	(304.70)
Investing Activities	(476.79)	(347.60)
Financing Activities	(471.10)	907.39
Cash & Cash Equivalent at the end	520.79	402.18

Cash Flow from Operating Activities: Net cash generated from operating activities was Rs.1,067.64 million for Fiscal 2021 as compared to Rs.304.70 million net cash used for Fiscal 2020, primarily on account of increase in operating profit and positive working capital changes during Fiscal 2021.

Cash Flow from Investing Activities: Net cash used in investing activities was Rs.476.79 million for Fiscal 2021, primarily on account of payment towards purchase of fixed assets and increase in bank deposits. Net cash used in investing activities was Rs.347.60 million for Fiscal 2020.

Cash Flow from Financing Activities: Net cash used in financing activities was Rs.471.10 million for Fiscal 2021, primarily on account of payment of interest. Net cash generated by financing activities was Rs.907.39 million for Fiscal 2020, primarily on account raising of non-current borrowings.

Details of Ratios

Significant changes vis-a-vis immediately preceding financial year were reported in the following ratios:

Consolidated

Ratio	FY21	FY20	Reasons of Variance
Interest Coverage Ratio	0.49	0.62	Declined due to increase in interest cost
Current Ratio	1.11	0.87	Improved due to increase in current assets
Debtors Turnover Ratio	8.16	6.92	Improved due to higher sales without corresponding increase in debtors
Inventory Turnover Ratio	1.27	1.37	Declined due to increase in inventory
Debt Equity Ratio	-4.53	4.37	Declined due to erosion in equity on account of demerger of real estate business and losses
Operating Profit Margin %	12.85%	14.19%	Declined due to increase in operating cost
Net Profit Margin %			
- before exceptional items	-23.40%	-31.70%	Improved due to reduction in losses
- after exceptional items	-23.40%	-34.53%	
Return on Net worth %			
- before exceptional items	NM	-86.8%	Not measurable (NM) due to erosion in equity on account of demerger of real estate business and losses
- after exceptional items	NM	-94.5%	

Opportunities and Outlook

The Company operates in a highly regulated and competitive environment across multiple geographies. Panacea Biotec is engaged in research, development, manufacturing and marketing of a wide range of branded and generic pharmaceutical formulations and novel vaccines. The Management continues to be committed to grow the Company's business building on its strong foundation and executing its pipeline of products.

SWOT Analysis

Strengths

- Leading biotechnology company with over 30 years' experience in development, manufacturing and commercialization of vaccines and pharmaceutical formulations
- One of the leading domestic formulations player - Strong brands in niche segments with significant market share in respective therapeutic segment
- Global footprint with significant focus on exports
- State-of-the-art manufacturing facilities - cGMP compliant and USFDA approved
- Established research & development and clinical research capabilities with multi-disciplinary R&D Centers
- Robust product pipeline of promising niche products to fuel long-term growth
- Extensive sales and distribution network
- Growing Strategic partnerships and collaborations
- Strong promoter group supported by experienced and qualified management team

Weaknesses

- Long Gestation Period on R&D Projects: R&D projects involve longer development time and medium to high investment as is the norm in the vaccine and pharmaceutical industry. As a result of this, the present profitability is affected whereas the output may come in medium to long term future periods.
- High Dependence on Institutional Business in Vaccine Segment: A significant part of the vaccine business revenues comes from tender driven institutional business. Panacea Biotec has decided to focus on expanding into private markets in India as well as in ROW countries through strategic tie-ups to have a diverse sales base and reduce its dependence on institutional business.
- Revenue Concentration on Few Products: In vaccine segment, the revenue generation is mainly dependent on two products i.e. pentavalent and hexavalent vaccine. Any future disruption in any of these products may impact the future financial performance.
- Higher level of Debt financing: Currently, there is a higher level of debt in Panacea Biotec Pharma in the form of Non-convertible debentures. However, Panacea Biotec is in the process of raising funds for partial reduction of debt.

Opportunities

- To improve Capacity Utilization
- New products in pipeline for Commercial Launch
- Use of in-house drug substance in place of the imported drug substance thereby reducing dependence on third party suppliers

Threats

- Dependence on few imported suppliers in drug substance. However, Panacea Biotec is focusing on reducing its dependence on foreign suppliers by developing in-house drug substances at Lalru.

  Price Control by Government: Pharmaceutical industry per-se is facing price control risk from the Government and the Government has been frequently fixing the ceiling prices and bringing more and more products under the price control mechanism.

- Increasing Regulatory Compliances and Costs: International regulatory agencies like USFDA have started exercising greater controls and compliances. As a result of this, the cost of compliance has also started increasing. Many Indian companies have been disqualified by USFDA due to non-compliance with cGMP guidelines. However, the Company has been following the guidelines prescribed by USFDA and other regulatory agencies and save and except, recent observations / warning letter from USFDA which has been suitably responded / acted upon, Panacea Biotec has successfully passed USFDA audit thrice in last 4 years.
- Pricing pressure amid intense competition in the Pharmaceutical industry across the globe.
- High volatility in currency exchange rates may affect the Industry adversely.
- Risk of all R&D initiatives not leading to commercially viable and successful products.

Future Growth Strategy

Vaccine Business

Short to Medium Term:

- Scaling up EasySix™ vaccine sales in Private Market in India.
- Increasing participation in institutional business for Easyfive-TT® vaccine.
- Commercialization of Covid-19 vaccine in collaboration with RDIF
- Continuing development of tetravalent Dengue vaccine DengiALL®, Pneumococcal Conjugate Vaccine NucoVac® and other vaccines.
- Launch of Pneumococcal Conjugate Vaccine NucoVac® in India.
- Introduction of EasySix™ vaccine in UNICEF / PAHO Program, private markets and National Program of developing countries.
- Launch of tetravalent Dengue Vaccine DengiALL® in India.
- Launch of other vaccines which are currently under development.

Long Term:

- Scale up of sales of DengiALL® vaccine and NucoVac® vaccine in Private Market in India.
- Launching these vaccines in Developing Countries National Program etc.
- Launch of Vaccines which are currently under advanced stage of pre-clinical studies in India and developing countries.

Pharma Business

Short to Medium Term:

- Growth in domestic Pharmaceutical Formulations business through introduction of new products and increasing sales force productivity.
- Growth in exports of Pharmaceutical Formulations to emerging markets.
- Scaling up of existing niche generic business in USA.
- Increase Patient connect for sustainable growth.
- Launch of Paclitaxel protein bound particles for injectable suspension, Cyclosporine and other products which are currently under approval in USA.
- Filing more ANDAs / dossiers in USA and European markets.
- Launch of new products in domestic and international emerging markets.

Long Term:

Launch of more products in US, EU and other ICH markets.

Launch of new products in domestic market, emerging and developing countries.

Safety, Health and Environment Protection

The Company undertakes all its operations with a high concern and sincerity for environment and its surrounding as well as the safety and health of people. The Company has dedicated Environment, Occupational Health and Safety (EOHS) department and also engages the services of consultant for independent evaluation of EOHS activities.

Corporate Social Responsibility

Panacea Biotec recognizes Corporate Social Responsibility as one of its core values by making continuous efforts on spreading awareness on critical health issues impacting the quality of life. Panacea Biotec has been over the years, pursuing Corporate Social Responsibility by putting continuous efforts in the areas of health, education and patient awareness / assistance programs towards the development of a happier and healthier society. Panacea Biotec has been actively engaged in conducting patient camps such as diabetes detection, HbA1C and diabetic neuropathy camps to help patients better manage diabetes and co-morbid conditions, cancer survivor meets to help patients manage life post chemotherapy, organ donation awareness campaigns to spread awareness and positive impact of organ donation, osteoporosis camps to help patients identify risk of osteoporosis ahead of time and piles camps for detection, management and awareness of piles. These camps are conducted across the country with an objective to provide free diagnostic services to the patients and spread awareness on lifestyle management with such chronic diseases to help improve their quality of life. During Covid-19 pandemic in FY 2020-21, the Company organized multiple sanitization camps and awareness camps across Doctor's clinics.

Note: As a result of rounding off adjustments, the figures/ percentages in a column in various sections in the Annual Report may not add up to the total for such columns.

Directors' Report

Dear Members,

Your Directors feel pleasure in presenting the 37th Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Reports thereon for the financial year ended March 31, 2021.

Financial Results

The highlights of standalone and consolidated financial results of the Company are as under:

(Rs. in million)

Particulars	Standalone		Consolidated	
	FY 2020-21#	FY 2019-20#*	FY 2020-21#	FY 2019-20#*
Revenue from operations	3,435.55	4,896.78	6,248.05	5,440.62
Other Income	207.48	439.05	99.77	296.87
Total Income	3,643.03	5,335.83	6,347.82	5,737.49
Profit / (Loss) before Interest, Tax, Depreciation & Amortization (EBITDA)	4.88	(622.31)	766.29	313.59
Profit / (Loss) before exceptional items and tax	(128.80)	(1,205.74)	(1,450.30)	(1,619.47)
Exceptional items	-	(153.97)	-	(153.97)
Profit / (Loss) before Tax (PBT)	(128.80)	(1,359.71)	(1,450.30)	(1,773.44)
Profit / (Loss) after Tax (PAT)	(144.41)	(1,530.70)	(1,476.58)	(1,942.96)
Total Comprehensive Income	(130.60)	(1,518.41)	(1,468.38)	(1,915.42)

 # Include figures for the discontinued operations
** Previous year's figures have been re-grouped, re-classified and/or restated wherever necessary*

Performance Highlights

During the year ended March 31, 2021, your Company has registered revenue from continuing and discontinued operations of Rs.3,435.55 million as against Rs.4,896.78 million during the previous financial year from continuing and discontinued operations. Further, Panacea Biotec as a Group has registered consolidated revenue from operations of Rs.6,248.05 million as against Rs.5,440.62 million during previous financial year.

In view of the completion of demerger of real estate undertaking including investment in Radhika Heights Limited into the Company's then wholly owned subsidiary, Ravinder Heights Limited ("RVHL") with effect from September 10, 2020, the financial results of the said real estate undertaking for the financial year 2019-20 and for the period from April 01, 2020 to September 10, 2020, that is considered as disposal group, has been presented as discontinued operations in the Standalone and Consolidated Financial Statements of the Company in accordance with the applicable accounting standards.

In view of the completion of transfer of pharmaceutical formulations business to the Company's wholly owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") with effect from February 01, 2020, the financial results of the pharma business upto January 31, 2020, that were considered as disposal group, were presented as discontinued operations in the Standalone Financial Statements of the Company for financial year 2019-20 in accordance with the applicable accounting standards.

The Company earned revenue from operations of Rs. Nil from such discontinued operations as against Rs.3,315.93 million during previous financial year.

The Company's revenue from continuing operations has increased to Rs.3,435.55 million from Rs.1,580.85 million during previous financial year, registering a growth of around 117% over previous year.

On standalone basis, the Company has earned EBITDA of Rs.4.88 million during financial year 2020-21 as against negative EBITDA of Rs.622.31 million during previous financial year. The Company's loss before exceptional items and tax has significantly reduced to Rs.128.80 million as compared to loss of Rs.1,205.74 million during previous financial year. The loss after tax for financial year has also reduced significantly to Rs.144.41 million as against loss of Rs.1,530.70 million during previous financial year.

Panacea Biotec as a Group has earned EBITDA of Rs.766.29 million during financial year 2020-21, an increase of over 144% as compared to EBITDA of Rs.313.59 million during previous financial year. Loss before exceptional items and tax has reduced to Rs.1,450.30 million as compared to loss of Rs.1,619.47 million during previous financial year. The loss after tax for financial year has also reduced to Rs.1,476.58 million as against loss of Rs.1,942.96 million during previous financial year.

A detailed discussion on operations of the Company for the year ended March 31, 2021 is given in the Management Discussion and Analysis Report forming part of the Annual Report.

Credit Rating

During the year under review, the Company has not availed any bank facility and has consequently not carried any credit rating.

Dividend and Transfer to Reserves

In view of losses during the year under review, the Board of Directors has not recommended any dividend on the Equity as well as Preference Shares of the Company. Accordingly, there has been no transfer to general reserves.

As per the requirements of Regulation 43A of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Company has adopted a Dividend Distribution Policy which may be accessed on the Company's website at the link: https://www.panaceabiotec.com/statutory-policies.

Share Capital

During the year under review, the issued, subscribed and paid up Share Capital of the Company, has reduced from Rs.224.25 million (comprising of Rs.61.25 million equity share capital divided into 6,12,50,746 Equity Shares of Re.1 each and Rs.163.00 million preference share capital divided into 1,63,00,000 0.5% Non-Convertible Cumulative Non-Participating Redeemable Preference Shares ("NCCRPS") of Rs.10 each) to Rs.222.62 million (comprising of Rs.61.25 million equity share capital divided into 6,12,50,746 Equity Shares of Re.1 each and Rs.161.37 million preference share capital divided into 1,61,37,000 NCCRPS of Rs.10 each), on account of cancellation of preference share capital of Rs.1.63 million divided into 1,63,000 NCCRPS of Rs.10 each, pursuant to the order of the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") dated September 09, 2020 sanctioning the Scheme of Arrangement for demerger of real estate business of Panacea Biotec Limited ("Demerged Company") with and into Ravinder Heights Limited ("Resulting Company") and their respective shareholders and creditors in terms of sections 230 to 232 and section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme") which became effective from September 10, 2020. Similarly, the authorised share capital of the Company has also reduced from Rs.1,225.0 million to Rs.1,223.37 million.

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

Significant Events during the year under review / current year

The Company has from time to time during the year under review and current year informed its stakeholders about the key developments that took place by disseminating necessary information to the stock exchanges and through various other means of communication. Some of key events are mentioned below:

a) Completion of Phase I/II study of DengiALL®: During the year under review, your Company has successfully completed Phase I/II study to evaluate the safety and immunogenicity of DengiALL®, a single-dose live-attenuated tetravalent dengue vaccine candidate, which aims to reduce the impact of dengue fever, especially in the endemic regions.

b) Completion of Phase I study of NucoVac®: During the year under review, your Company has successfully completed Phase I study to evaluate the safety and immunogenicity of its Pneumococcal Conjugate Vaccine candidate, NucoVac® and has applied for Phase II / III clinical trials.

c) Collaboration with Russian Direct Investment Fund for Covid - 19 vaccine: Your Company in cooperation with Russian Direct Investment Fund ("RDIF") has agreed to produce upto 100 million doses of Covid - 19 vaccine in India per year. The Company has initiated the production of the said vaccine against coronavirus at Panacea Biotec's facilities at Baddi, Himachal Pradesh, India. Production of such vaccine at Company's sites will help facilitate supply thereof in India as well as to international partners of RDIF. The vaccine is based on a proven and well-studied platform of human adenoviral vectors and uses two different vectors for the two shots in a course of vaccination, providing immunity with a longer duration than vaccines using the same delivery mechanism for both shots.

d) Scheme of Arrangement for demerger of real estate business: During the year under review, the Hon'ble NCLT, Chandigarh Bench vide its order dated September 09, 2020 has sanctioned the Scheme of Arrangement ("Scheme") between Panacea Biotec Limited and Ravinder Heights Limited ("RVHL") and their respective shareholders and creditors for demerger of real estate business of the Company comprising of Radhika Heights Limited alongwith its step down subsidiaries and two real estate properties, into RVHL. The appointed date of the Scheme was April 01, 2019 and the Scheme became effective on and from September 10, 2020.

   Earlier, the Board of Directors of the Company had, at its meeting held on May 30, 2019 and equity shareholders & unsecured creditors of the Company at their respective NCLT convened meetings held on January 28, 2020, approved the Scheme, subject to applicable approvals.

   Pursuant to the Scheme, RVHL had, in its Board Meeting held on October 06, 2020, issued and allotted 6,12,50,746 Equity Shares of Re.1 each and 1,63,000 0.5% Cumulative Non-Convertible and Non-Participating Redeemable Preference Shares of Rs.10/- each to the Company's equity and preference shareholders, respectively, whose names appeared in the register of members / record of the depositories as a beneficial owner as on the Record Date i.e. September 22, 2020 in the following manner:

   i. 1 (One) equity share of face value of Re.1/- each credited as fully paid-up for every 1 (One) equity share of face value of Re.1/- each held in the Company; and

   ii. 1 (One) 0.5% cumulative non-convertible and non-participating redeemable preference share of face value of Rs.10/- each credited as fully paid-up for every 100 (One Hundred) 0.5% cumulative non-convertible and non-participating redeemable preference shares of face value of Rs.10/- each held in the Company.

   The new Equity Shares issued and allotted by RVHL to the shareholders of the Company in accordance with the Scheme got listed and admitted to trading on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") w.e.f. December 18, 2020.

e) Cancellation of Warrants: During the previous year, the Company had on April 08, 2019, issued and allotted 71,11,111 convertible warrants ("Warrants") at a price of Rs.180/- each on a preferential basis to India Resurgence Fund - Scheme 1, India Resurgence Fund - Scheme 2 and Piramal Enterprises Limited ("Warrant Holders"), carrying the entitlement of conversion of 1 Equity Share of face value of Re.1/- each at a premium of Rs.179/- per share against each Warrant, within the period starting on the date which was 10 business days prior to the date falling 18 months from the date of allotment of such Warrants and ending on the date falling 18 months from such date of allotment, i.e. during the period starting from September 23, 2020 and ending on October 07, 2020.

However, during the year under review, since the Warrant Holders did not exercise the conversion option within the aforesaid period, the Warrants stood cancelled / lapsed and the upfront amount of ~Rs.320.00 million (equivalent to 25% of total consideration) as received by the Company from the Warrant Holders, towards allotment of the said Warrants was forfeited in accordance with the terms of the said Warrants and as per the provisions of Regulation 169(3) of Chapter V of SEBI ICDR Regulations.

f) During the year under review, the Company received a warning letter from USFDA relating to the Pharmaceutical Formulations facility of the Company's wholly owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") located at Baddi, Himachal Pradesh. The Company / PBPL has taken multiple steps after its inspection conducted during February, 2020 to address the observations received during the inspection.

This letter did not materially affect the Company's existing business in US. The Company had addressed all the concerns and complied with all the requirements and has already submitted its response to USFDA in consultation with International Consultants. PBPL expects completion of the closeout process in due course.

Apart from the updates mentioned above, there were no significant events after the end of the financial year ended March 31, 2021.

Panacea Biotec Limited - Employee Stock Option Plan 2020 ("ESOP 2020"/ "Plan")

With a view to motivate the key employees seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, the Board of Directors of the Company, had at its meeting held on February 14, 2020, proposed implementation of 'Panacea Biotec Limited-Employee Stock Option Plan 2020' ("ESOP 2020"/ "Plan") to cover eligible employees of the Company and its subsidiary company, in or outside India.

The Shareholders have approved the Plan as well as grant of employee stock options to the employees of the Company and its subsidiary company by passing special resolutions through postal Ballot on July 17, 2020.

However, no options have been granted under the ESOP 2020 till date.

Significant and material orders impacting the going concern status and Company's operations in future

During the year under review, no significant and material orders were passed by any regulator or court or tribunal which may impact the going concern status and your Company's operations in future.

During the financial year 2011-12, a search operation was conducted by Income Tax Department in the premises of the Company and hence the Company re-filed the income tax returns for the Assessment Years ("AY") 2006-07 to 2012-13. During the financial year 2014-15, the Income Tax Department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs.3,294.9 million (including interest) on various grounds. The Company preferred appeals before CIT (Appeals) and after several hearings in the matter and on the basis of facts of the matter, the appeals were decided in favour of the Company and the entire demand of Rs.3,294.9 million was cancelled. However, CIT (Appeals) made certain disallowances of Rs.60.2 million with respect to AY 2010-11 & AY 2011-12 against which the Company has filed appeals before the Income Tax Appellate Tribunal ("ITAT"). The Income Tax Department has also filed appeals before ITAT against the orders of CIT (Appeals). The appeals before ITAT are pending at present. Based on the expert opinion, the Company believes that it has merit in these cases.

Report on Corporate Governance

Your Company has always placed thrust on managing its affairs with diligence, transparency, responsibility and accountability. Your Directors support the broad principles of Corporate Governance and lays emphasis on its role to align and direct the actions of the Company in achieving its objectives. The report on Corporate Governance for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI LODR Regulations is presented in a separate section and forms an integral part of the Annual Report. The certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached thereto and forms part of the Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as required pursuant to Regulation 34 read with Schedule V of SEBI LODR Regulations, is presented in a separate section and forms an integral part of the Annual Report.

Business Responsibility Reporting

The Business Responsibility Report for the year under review, as required pursuant to Regulation 34 of SEBI LODR Regulations, is presented in a separate section and forms an integral part of the Annual Report.

Subsidiaries, Associates and Joint Ventures

A. Subsidiaries

As on March 31, 2021, your Company had 3 wholly owned subsidiary ("WOS") companies, viz. Panacea Biotec Pharma Limited ("PBPL"), Meyten Realtech Private Limited ("Meyten") and Panacea Biotec (International) S.A. ("PBS") and 1 indirect WOS company, viz. Panacea Biotec Germany GmbH ("PBGG"), the WOS of PBS.

PBPL is engaged in the research, development, manufacturing and sale of pharmaceutical formulations in India and international markets. The Company holds 10,00,000 equity shares of Re.1 each with an investment of Rs.1.00 million in PBPL as on March 31, 2021.

Meyten was incorporated on April 12, 2019 for the purpose of proposed demerger of specified Leasing Business of Radhika Heights Limited (WOS of the Company till September 10,

2020) into Meyten. The Composite Scheme of Arrangement amongst Radhika Heights Limited ("RHL"), Meyten and Cabana Structures Limited, a WOS of RHL has been filed with the Hon'ble NCLT on December 15, 2020 and its approval is awaited. The Company holds 1,00,000 equity shares of Re.1 each with an investment of Rs.0.10 million in Meyten as on March 31, 2021.

PBS was earlier engaged in the business of trading of pharmaceutical products and is currently not pursuing any business. Since, no further activity is envisaged to be undertaken by PBS, it has been decided to liquidate PBS. The Company holds 6,000 equity shares of CHF 100 each with an investment of Rs.34.36 million in PBS as on March 31, 2021.

PBGG is engaged in marketing of pharmaceutical products including the Company's products in Germany. PBGG is proposed to be converted into direct WOS of the Company / PBPL.

Further, pursuant to the order of the Hon'ble NCLT dated September 09, 2020 sanctioning the above mentioned Scheme of Arrangement which has become effective from September 10, 2020, RHL alongwith its subsidiaries and two real estate properties, has been demerged into RVHL and RVHL, RHL and its subsidiaries (viz. Cabana Construction Private Limited, Cabana Structures Limited, Nirmala Buildwell Private Limited, Nirmala Organic Farms Resorts Private Limited, Radicura Infra Limited and Sunanda Infra Limited) have ceased to be the subsidiaries of the Company w.e.f. September 10, 2020.

B. Joint Ventures and Associates

Your Company has 2 joint ventures, viz. Adveta Power Private Limited ("Adveta") and Chiron Panacea Vaccines Private Limited (Under Liquidation) ("CPV") and 1 associate company, viz PanEra Biotec Private Limited ("PanEra"). Adveta and PanEra have been considered as subsidiaries for the purpose of consolidation of accounts pursuant to the provisions of Indian Accounting Standards ("Ind AS").

Adveta: The Company's 50:50 joint venture with PanEra, was granted in-principle approval by Govt. of Arunachal Pradesh for allotment of two Power Projects of 80 MW and 75 MW in Arunachal Pradesh in financial year 2012-13. Adveta has in the past initiated taking preliminary steps in connection with the implementation of projects. However, no major investment has been made in this regard nor is envisaged during the current financial year. Further, as per the terms agreed with IndiaRF, the Company intends to dispose of its investments in Adveta in due course of time.

CPV: During the year, the Liquidators have completed the voluntary winding-up of CPV and the final Liquidator's Statement of Account has been submitted with the Official Liquidator. The Company has received an amount of Rs.55.88 million (including initial share capital of Rs.22.96 million and TDS of Rs.2.47 million deducted on surplus). Further, activities for closure of winding-up process are in progress.

PanEra: PanEra was granted in principle approval by Govt. of Himachal Pradesh for allotment of a hydro-power project of 4 MW in Himachal Pradesh in earlier year. PanEra will be taking necessary steps in connection with the implementation of the project in due course of time. However, no major investment has been made in this regard nor is envisaged during the current financial year. Further, as per the terms agreed with IndiaRF, the Company intends to dispose of its investments in PanEra in due course of time.

The Company has formulated a Policy for determining material subsidiaries which may be accessed on the Company's website at the link: https://www.panaceabiotec.com/statutory-policies.

As on March 31, 2021, Panacea Biotec Pharma Limited is the material subsidiary of the Company pursuant to SEBI LODR Regulations. Radhika Heights Limited which was earlier a material subsidiary of the Company has ceased to be subsidiary w.e.f. September 10, 2020.

Financial Details of Subsidiaries, Associates and Joint Ventures

A separate statement containing the salient features of financial statements of the Company's Subsidiaries, Associates and Joint Ventures, in the prescribed Form AOC-1, forms part of the Annual Report and hence not repeated here for the sake of brevity. This statement also provides details of performance and financial position of each of the Subsidiaries, Associates and Joint Ventures.

The contribution of the Subsidiaries, Associates and Joint Ventures to the overall performance of your Company is outlined in Note No. 51 of the Consolidated Financial Statements for the year ended March 31, 2021.

The separate audited Financial Statements of the Subsidiaries shall be kept open for inspection at the Company's Registered/ Corporate Office during working hours for a period of 21 days before the date of the ensuing Annual General Meeting ("AGM") of the Company and are also available on the website of the Company at www.panaceabiotec.com. The same will also be made available upon request of any member of the Company who is interested in obtaining the same.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its Subsidiaries, Associates and Joint Ventures, prepared in terms of Section 129 of the Companies Act, 2013 ("the Act"), Regulation 33 of SEBI LODR Regulations and in accordance with Ind AS 110 read with Ind AS 28 and 31 as specified in the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS Rules") and provisions of Schedule III to the Act, are attached herewith and the same together with Auditors' Report thereon, forms part of the Annual Report.

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards notified under Section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Listing of Equity Shares

The Equity Shares of the Company continue to be listed on NSE and BSE. The requisite annual listing fees for the financial year 2021-22 have been paid to these Exchanges.

Public Deposits

During the year under review, your Company has not invited or accepted any deposits from the public / members pursuant to the provisions of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as on the balance sheet date.

The details of loans received from directors of the Company have been disclosed in Note No. 45 to the Standalone Financial Statements forming part of the Annual Report. Further, in compliance with provisions of the Companies (Acceptance of Deposits) Rules, 2014, the director of the Company, from whom money is received during the year under review, has furnished to the Company, a declaration in writing to the effect that the amount is not being given by him out of funds acquired by him by borrowing or accepting loans or deposits from others.

Directors and Key Managerial Personnel

i) Cessation of Directors: During the year under review, Mrs. Sunanda Jain (DIN: 03592692) and Mr. Sumit Jain (DIN: 00014236), Whole-time Directors, have ceased to be directors of the Company w.e.f. October 07, 2020.

   Further, during the current year, Mr. Ashwini Luthra (DIN: 05103137), an Independent Director of the Company, departed for his heavenly abode on July 11, 2021.

   Your Directors place their sincere appreciation towards the invaluable contributions, guidance and support received from them during their tenure as Directors towards the progress of the Company. Further, your directors pray the almighty that the departed soul of Mr. Ashwini Luthra rest in peace.

ii) Re-appointment of Independent Director: During the year under review, Mr. Mukul Gupta (DIN: 00254597) has been re-appointed as an Independent Director w.e.f. April 01, 2021 for a second term of five (5) consecutive years up to March 31, 2026. In the opinion of the Board, he is a person with integrity and possesses requisite expertise and experience for re-appointment as an independent director of the Company. Further, he is exempted from the requirement to undertake online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

iii) Appointment of Non-Executive Nominee Director: During the year under review, the appointment of Mr. Shantanu Yeshwant Nalavadi (DIN: 02104220), who was appointed as Non-Executive Nominee Director by the Board of Directors w.e.f. December 10, 2019, was approved by the shareholders at the Annual General Meeting held on December 24, 2020.

iv) Re-appointment of Executive Directors: The Board of Directors has in its meeting held on July 23, 2021, on the recommendation of Nomination and Remuneration Committee of the Board ("NRC"), re-appointed Mr. Soshil Kumar Jain (DIN: 00012812), Dr. Rajesh Jain (DIN: 00013053), Mr. Sandeep Jain (DIN: 00012973) and Mr. Ankesh Jain (DIN: 03556647) as Whole-time Director designated as Chairman, Managing Director, Joint Managing Director and Whole-time Director designated as Director Sales & Marketing, respectively for a further period of three (3) years w.e.f. April 01, 2022 on similar terms of remuneration, subject to approval of shareholders, as their current term of office will expire on March 31, 2022. The terms and conditions for their re-appointment are contained in the Explanatory Statement forming part of the Notice of the ensuing AGM of the Company.

v) Directors Retiring by Rotation: In accordance with the provisions of Section 152 of the Act and Article 124 of the Article of Association of the Company, Dr. Rajesh Jain (DIN: 00013053), Managing Director of the Company is liable to retire by rotation. Being eligible, he has offered himself for re-appointment as director at the ensuing AGM.

vi) Profile of Directors seeking appointment / re-appointment: The brief resume of the Directors seeking re-appointment along with other details as stipulated under Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standards issued by The Institute of Company Secretaries of India, are provided in the Notice convening the ensuing AGM of the Company and the Corporate Governance Report forming part of the Annual Report.

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

viii) Registration in Independent Directors' Data Bank: The Company has received confirmation from all its Independent Directors that they have registered themselves in the Independent Director's Data Bank of Indian Institute of Corporate Affairs at Manesar, for a period of 5 years, in compliance with the provisions of sub-rule (1) of rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

Your Directors recommend re-appointment of the above said directors in the ensuing AGM.

Apart from the above, there is no other change in the directors and Key Managerial Personnel ("KMP") during the year under review and thereafter.

Board Evaluation

In terms of the provisions of the Act and Regulation 19(4) of SEBI LODR Regulations, the Board has adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects such as Board composition & quality, strategic & risk management, board functioning, etc. which are briefly stated in the Corporate Governance Report, forming part of the Annual Report.

Performance evaluation of independent directors was conducted by the Board of Directors excluding the director being evaluated on the criteria such as ethics and values, knowledge and proficiency, behavioral traits etc.

The Board of Directors has expressed its satisfaction with the evaluation process.

Board Meetings

During the year under review, five (5) Board Meetings were held on June 16, 2020, June 29, 2020, September 03, 2020, November 11, 2020 and February 12, 2021. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act. The detailed information is furnished in the Corporate Governance Report, forming part of the Annual Report.

Audit Committee

The Audit Committee of the Board of Directors consisted entirely of Independent Directors. The details of the composition and number of meetings of the Audit Committee are furnished in the Corporate Governance Report, forming part of the Annual Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

Policy on Directors' appointment & remuneration

Pursuant to the provisions of Section 178(3) of the Act, Regulation 19(4) of SEBI LODR Regulations and as per the recommendations of NRC, the Board has adopted a policy for appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company. The components of remuneration policy are briefly stated in the Corporate Governance Report, forming part of the Annual Report. This policy may be accessed on the Company's website at the link: https://www.panaceabiotec.com/statutory-policies.

Energy Conservation, Technology Absorption & Foreign Exchange

As required under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 ("Accounts Rules"), the particulars regarding conservation of energy, technology absorption and foreign exchange earnings & outgo, are given in **Annexure A** hereto and forms part of this Report.

Annual Return

As required pursuant to Section 134 and 92(3) of the Act, the Annual Return of the Company as on financial year ended on March 31, 2021 is available on Company's website at: https://www.panaceabiotec.com/annual-return.

Related Party Transactions

As per the provisions of the Act and SEBI LODR Regulations, your Company has formulated a policy on Related Party Transactions which is available on Company's website at the link: https://www.panaceabiotec.com/statutory-policies.

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for its review and approval. Wherever applicable, prior approval is obtained for related party transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length basis.

During the year under review, all related party transactions entered into were in the ordinary course of business and on an arm's length basis. The Company has not entered into any material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Accounts Rules in the prescribed Form AOC-2 is not applicable. Suitable disclosures as required under Accounting Standard AS-18 have been made in the notes to the Financial Statements forming part of the Annual Report.

Particulars of Employees and Related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Managerial Personnel Rules") are provided in **Annexure B** hereto and the same forms part of this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Managerial Personnel Rules, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules is provided in **Annexure C** hereto and the same forms part of this Report.

Auditors and Audit Reports

i) Statutory Auditors and Audit Report: Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Regn. No. 001076N/N500013), were re-appointed as Statutory Auditors of the Company for a second term of five (5) consecutive years to hold office from the conclusion of the 35th AGM of the Company held on September 30, 2019 till the conclusion of the 40th AGM of the Company. Pursuant to Section 141 of the Act, the Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

   The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2021.

   The management response to the observations/comments contained in the Auditors' Report and Annexure thereto has been suitably given in the respective Notes to the Financial Statements referred to therein.

   Further, the Key Audit Matter as contained in the Auditors' Report on the Standalone Financial Statements is also mentioned as Key Audit Matter in the Auditors' Report on the Consolidated Financial Statements in similar manner. The management response thereto has been suitably given in the respective Notes to the Financial Statements referred to therein.

   The notes to accounts and other observations, if any, in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

ii) Cost Accounts and Auditors: The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records have been duly made and maintained by the Company in compliance with the provisions of the Act.

Pursuant to the provisions of Section 148 of the Act, M/s. GT & Co., Cost Accountants (Firm's Registration Number: 000253), were appointed as the Cost Auditors to conduct the audit of the Company's Cost Records for the financial year ended March 31, 2021 and their remuneration has also been ratified by the shareholders in the 36th AGM of the Company held on December 24, 2020.

The cost audit for the said period has been completed and the Cost Auditors Report will be submitted with the Central Government within the prescribed time. The Cost Audit Report for the financial year 2019-20 was filed on October 01, 2020.

Based on the recommendations of the Audit Committee, the Board of Directors has re-appointed M/s. GT & Co., Cost Accountants, as cost auditors of the Company for the financial year 2021-22 pursuant to the provisions of Section 148 of the Act. As required, the item for ratification of remuneration of cost auditor has been included in the Notice of the ensuing AGM for shareholders' approval.

iii) Secretarial Auditors and Secretarial Audit Report: Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Managerial Personnel Rules, the Board of Directors has appointed M/s. R&D Company Secretaries, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report issued by them is annexed as **Annexure D** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

As per the requirements of the SEBI LODR Regulations, the material unlisted subsidiary of the Company, Panacea Biotec Pharma Limited has also appointed the Secretarial Auditors viz. M/s. R&D Company Secretaries, Practicing Company Secretaries to conduct the Secretarial Audit for the financial year ended March 31, 2021. The Secretarial Audit Report issued by them is annexed as **Annexure E** to this Report. The said Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

In addition to the above and in compliance with SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 08, 2019, a report on secretarial compliance issued by M/s. R&D Company Secretaries for the year ended March 31, 2021 has been submitted to stock exchanges.

Dealing with COVID-19 Pandemic

The continuing outbreak of current novel coronavirus (Covid-19) pandemic including several waves and mutation of virus globally and in India is causing significant disturbance and slowdown of economic activity. In view of the Covid-19 pandemic, several restrictions were imposed by governments across the globe on the travel, goods movement and transportation considering public health and safety measures, which has adversely impacted the Company's operations since late March 2020. However, the Company's operations including its supply chain is being handled by the Company in an effective manner by applying various approaches on case to case basis and ensuring that its products reaches up to the last point.

Since Panacea Biotec is engaged in the business of manufacturing of pharmaceutical products, accordingly, the operations at manufacturing facilities and warehouses kept on going, albeit with limited number of workers in the initial days during the lockdown, however, the same increased gradually after obtaining requisite government approvals. For ensuring the health and well-being of its employees, wherever feasible, the Company has implemented Work from Home for its employees. Also, the Company took several measures such as sanitization of premises on regular basis, video training sessions for employees to create awareness about the spreading of virus and prevention of same, strict follow of social distancing norms at its offices and plants etc. Furthermore, various steps were taken by the Company to render support to employees.

Inspite of the uncertainties due to the pandemic, the Company has adapted to the changing business environment and has responded suitably to fulfill the unmet therapeutic needs of its customers.

Material changes and commitments affecting the financial position

As required under Section 134(3) of the Act, the Board of Directors inform the members that during the financial year, there have been no material changes, except as disclosed elsewhere in the Annual Report:

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

Further, except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the financial year and the date of this Report.

Secretarial Standards

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

Transfer to Investor Education and Protection Fund

During the year under review, no amount was required to be transferred by the Company to the Investor Education and Protection Fund.

Directors' Responsibility Statement

The Directors hereby confirm that:

a) in the preparation of the annual financial statements for the financial year ended March 31, 2021, the applicable

Accounting Standards have been followed along with proper explanation relating to material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021, and of the loss of the Company for the year ended March 31, 2021;

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors have prepared the annual accounts on a going concern basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

Details in respect of frauds reported by auditors

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Act.

Particulars of loans, guarantees or investments

The Company has made investments or extended loans / guarantees to its wholly owned subsidiaries for their business purposes. The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act along with the purpose for which such loan, guarantee or security was proposed to be utilised by the recipient, have been disclosed in the notes to the Financial Statements forming part of the Annual Report.

Risk Management

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

The Company has regularly invested in insuring itself against unforeseen risks. The Company's stocks and insurable assets like building, plant & machinery, computer equipment, office equipment, furniture & fixtures, lease hold improvements and upcoming projects have been adequately insured against major risks. The Company has also taken appropriate product liability insurance policies for conducting clinical trials and for insuring its products (manufactured and sold) with an extension of unnamed vendor liability and add on cover of public liability inclusive of pollution liability to cover the risk on account of claims, if any, filed against the Company.

Pursuant to recent amendment dated May 05, 2021 in Regulation 21 of SEBI LODR Regulations, the Board has, in its meeting held on July 23, 2021, constituted the Risk Management Committee comprising of the Directors / Officers of the Company as members of the Committee.

The Risk Management Committee will further play an important role to oversee the risk management framework which encompass risk identification, its likely impact on the Company and mitigation plan to address such risk. The details of the composition and terms of reference are furnished in the Corporate Governance Report, forming part of the Annual Report.

Internal Control System

Your Company has established a system of internal controls to ensure that assets are safeguarded and transactions are appropriately authorized, recorded and reported. The detailed explanation is provided in the Management Discussion and Analysis Report, forming part of the Annual Report.

Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended on March 31, 2021, the Board is of the opinion that the Company has sound IFC commensurate with the size, scale and complexity of its business operations. The IFC operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls whenever the effect of such gaps have a material effect on the Company's operations.

Vigil Mechanism

As required pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of SEBI LODR Regulations and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a Vigil Mechanism / Whistle Blower Policy with a view to provide its employees an avenue to raise any sensitive concerns regarding any unethical behavior or wrongful conduct and to enable employees to report instances of leak of unpublished price sensitive information and to provide adequate safeguards for protection from any victimization. This Policy is available on the website of the Company and can be accessed at: https://www.panaceabiotec.com/statutory-policies. This Policy, inter-alia, provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no director / employee has been denied access to the Chairman of the Audit Committee and that no complaint has been received during the year under review.

Corporate Social Responsibility

The provisions of Section 135 of the Act and the Rules made thereunder regarding Corporate Social Responsibility are not attracted to the Company as the Company does not fall under the threshold limit of net worth of Rs.5,000 million or more, or turnover of Rs.10,000 million or more, or a net profit (as defined under Section 198 of the Act) of Rs.50 million or more during the financial year. However, the Company has been, over the years, pursuing Corporate Social Responsibility by putting continuous efforts in the areas of health, education and patient awareness / assistance programs towards the development of happier and healthier society.

Prevention of Sexual Harassment at Workplace

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company has complied with the provisions relating to constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for dealing with the complaint, if any, relating to sexual harassment of women at workplace. No case has been reported during the year under review.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from the UN Agencies, Central Government, State Governments and all other Government agencies and encouragement they have extended to the Company. Your Directors also thank the shareholders, financial institutions, banks / other lenders, customers, vendors and other business associates for their confidence in the Company and its management and look forward for their continuous support. The Board wishes to place on record its appreciation for the dedication and commitment of the employees at all levels which has continued to be our major strength.

For and on behalf of the Board

Place : New Delhi
Dated : July 23, 2021

Soshil Kumar Jain
Chairman

Annexure to the Directors' Report

Annexure A

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

I. Conservation of Energy

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

1. Energy Conservation measures taken:

   The Company had devised its production lines and other facilities keeping in view the objective of minimum energy losses. The following are the major energy conservation measures implemented by the Company and its wholly owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") during the year under review and recent past:

   - Replacement of CFL lamps, Halogen lamps and conventional tube lights with LED lights at several locations.
   - Use of water treated from ETP & STP for plantation & irrigation purposes.
   - Use of RO rejected water for cooling tower at Lalru Plant.
   - Installation of Pneumatic Actuator Valve on soft water make up tank to avoid wastage of water due to overflowing of tank at Baddi.
   - Replacement of existing 50 HP cooling tower pump with low RPM 30 HP cooling tower pump to save power at Lalru Plant.
   - Replacement of alloy metal CT fans with low weight FRP fans of cooling tower to save power at Lalru Plant.
   - Installation of Condensate pipelines from condensate transfer pump having no insulation to reduce the insulation heat losses and increase saving in fuel.
   - Initiated erection and commissioning of new 6 ton Briquette Fired Boiler (to run with Fire Briquette or Wood Fire) at Baddi to replace Furnace Oil Fired Boilers thereby shifting to renewable energy source and to also reduce Sulphur emission.

2. Additional Investments / Proposals, if any, for reduction of Energy Consumption:

   The Company's initiatives in energy consumption extend beyond the needs of the present to ensure sustainable growth for years ahead. Continuous efforts are being made to further reduce the expenditure on power and fuel in the time to come. A few measures under consideration are listed below:

   - To continue replacement of CFL lights with LED lights across the organization over a period of time.
   - To install heat recovery unit with 3.0 TPH Boiler for heating boiler feed water to save fuel at Lalru Plant.
   - Commissioning of new 6 ton Briquette Fired Boiler at Baddi Plant.

3. Capital Investment on energy conservation equipments:

   During the year under review, the Company has not made any capital investment towards energy conservation equipments. However, PBPL has made a capital investment of Rs.20.65 million towards energy conservation equipments.

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

   The energy conservation measures indicated above have helped the Company to reduce the energy consumption and restrict the impact of increase in the cost of energy, thereby reducing the cost of production of goods to that extent.

Annexure to the Directors' Report

Form A
Particulars of Consumption of Energy

Particulars	**Current Year**	Previous Year
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (Nos. in thousand)	16,760.21	23,519.13
Total Amount (Rs. in million)	108.18	148.00
Rate/Unit (Rs.)	6.45	6.29
(b) Own generation		
(i) Through Diesel Generator		
Units (Nos. in thousand)	252.20	531.79
Unit per litre of Diesel/Oil	3.26	3.29
Cost/Unit (Rs.)	18.87	16.59
(ii) Through Steam Turbine/Generator		
Units (Nos.)	Nil	Nil
Unit per litre of Diesel/Oil		
Cost/Unit (Rs.)		
2. Coal		
Quantity (tonnes)	Nil	Nil
Total Cost		
Average Rate		
3. Furnace Oil		
Quantity (Kilolitres)	2,251.33	2,673.73
Total Cost (Rs. in million)	69.46	90.23
Rate/Unit (Rs.)	30.85	33.75
4. Others/Internal generation		
Quantity	Nil	Nil
Total Cost		
Rate/Unit		
B. Consumption per unit of production		
Tablets*		
Production (no. in million)	-	526.06
Electricity Consumption (Units per thousand)	-	6.69
Capsules*		
Production (no. in million)	-	123.21
Electricity Consumption (Units per thousand)	-	23.82
Syrups*		
Production (in litres)	-	266,082
Electricity Consumption (Units per kilolitre)	-	0.49
Gels*		
Production (in kilograms)	-	39,052
Electricity Consumption (Units per kilogram)	-	6.70
Vaccines		
Production (no. of doses in thousand)	17,242	39,167
Electricity Consumption (Units per thousand)	102.71	28.20
Pre-filled Syringes (PFS)		
Production (no. of PFS in thousand)	602	792
Electricity Consumption (Units per thousand)	952.26	282.16
Granules*		
Production (in kilograms)	-	19,504
Electricity Consumption (Units per kilogram)	-	0.88
Injections*		
Production (no. of injection in thousand)	-	82
Electricity Consumption (Units per thousand)	-	764.39

* Nil during current year as pursuant to the transfer of Company's pharmaceutical formulations business to its wholly owned subsidiary, Panacea Biotec Pharma Limited (PBPL) w.e.f. February 01, 2020, pharma products are being manufactured by PBPL. The relevant figures for previous year are also for period upto January 31, 2020.

II. Technology Absorption

Form B

Form for disclosure of particulars with respect to Technology Absorption

Research & Development (R&D)

1. Specific areas in which R&D is carried out:

   The Company has state-of-art R&D Centres at Lalru and New Delhi manned with experienced scientists having deep roots within the academic community in important clusters in India, US and Germany among other countries, working on several key projects in vaccines and biopharmaceuticals.

   Company's Vaccine R&D Centre has an excellent portfolio of innovative pediatric vaccines which protect children against dreadful diseases such as polio, hepatitis, diphtheria, tetanus, pertussis and haemophilus influenza. Further to broaden the presence of Panacea Biotec in the market, the Vaccine R&D is developing new generation vaccines like SARS-CoV-2 Vaccine, Pneumococcal Vaccine, Dengue Tetravalent vaccine and Typhoid Conjugate vaccine.

   During the year, the Company has successfully completed the Phase I/II study of its Tetravalent Dengue Vaccine. Further, the Company has successfully completed Phase I study of its Pneumococcal Conjugate Vaccine.

2. Benefits derived as a result of the above R&D:
   - Development of innovative vaccines;
   - Bringing innovative products to market;
   - Fulfilling unmet therapeutic needs and customer satisfaction;
   - Availability of products at affordable prices;
   - Yield improvement;
   - Grant of new product / process patents;
   - Entry into newer markets and export of quality products; and
   - Serving public health by producing million doses of pediatric vaccines for immunization of large population.

3. Future Plan of Action:

   The Company intends to continue to focus on R&D activities for growing its revenues and profitability, inter-alia, in the following areas:
   - Development of Recombinant, polysaccharide conjugate and Viral vaccines including SARS-Cov-2 vaccine;
   - Development of Protein based Sub-unit vaccines for novel viral and bacterial antigens;
   - Development of cost effective and consistent manufacturing process for consistently delivering the quality vaccine product; and
   - Development of reliable analytical methods for process monitoring, batch release and stability assessment to support vaccine development initiatives.

4. Expenditure on R&D:

(Rs. in million)

Particulars	**2020 -21**	2019-20
a) Revenue expenditure (excluding Depreciation on R&D assets)	125.62	205.13
b) Capital expenditure	35.95	1.97
c) Total	161.57	207.10
d) Total R&D expenditure as a percentage of net revenues	4.70%	4.23%

Technology absorption, adaptation and innovation

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

   Research & Development plays a vital role in developing and adopting new technologies to enhance our operational efficiencies. The Company is actively involved in research & development of vaccines, biopharmaceuticals, proteins and peptides in compliance with international regulatory standards.

   The Company is also engaged in research & development of new generation vaccines like SARS-CoV-2 vaccine, Typhoid Conjugate, Pneumococcal Conjugate and Tetravalent Dengue etc. and actively collaborating with Indian and foreign organization, to enrich the pipeline and to bring new concepts in vaccine research.

2. Benefits derived as a result of the above:

   Benefits derived as a result of the above efforts include product improvement, cost reduction, product development, import substitution, competitive products and product quality improvement.

   The Company had launched world's first fully-liquid wP-IPV based hexavalent vaccine EasySix™ and tetravalent vaccine Easyfour®-TT in 2016-17.

   The Company has in-licensed technology for development of:
   - tetravalent dengue vaccine from National Institute of Health, USA;
   - sabin IPV vaccine from Netherlands Vaccine Institute (NVI), the Netherlands (now Intravaac); and
   - replication defective recombinant human adenovirus vectors (serotypes 5 & 26) based Covid-19 vaccine from RDIF, Russia.

   During the year under review, the Company has successfully completed the Phase I/II study of its Tetravalent Dengue Vaccine and Phase I study of its Pneumococcal Conjugate Vaccine. The Company has further taken forward fully indigenous wP based pentavalent vaccine by undertaking consistency batches for clinical evaluation and Typhoid Conjugate Vaccine by completing its preclinical toxicity studies.

   With the completion of research projects and in-licensing arrangements, the Company will be able to commercialize the products in the domestic and international markets.

3. Information in respect of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

Technology imported	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof and future plan(s) of action
(a)	(b)	(c)	(d)
Replication defective recombinant human adenovirus vectors (serotypes 5 & 26) based Covid-19 vaccine	2020	Yes	N.A.

III. Foreign Exchange Earnings and Outgo

1. Activities relating to exports:

   The Company supplies its vaccines to UNICEF, PAHO & other governments of several countries and also plans to sell its vaccines in the private market through tie-ups with established industry players in various countries. The Company is supporting global cause of providing affordable vaccines to the children across the globe.

   PBPL exports its pharmaceutical formulations in around 30 countries including the United States, Germany, Russian Federation, Turkey, Bosnia, Tanzania, Kenya, Serbia, Vietnam, Philippines, Sri Lanka, Panama, Ecuador, Trinidad & Tobago etc.

   During the year, the consolidated export revenues of the Company have grown by 48.56% to Rs.3,059.62 million from Rs.2,059.54 million during previous financial year.

2. Initiatives taken to increase export:

   The Company has established relationships with various key business associates, including institutional customers for its products, strategic partners for entry into new international markets and domestic and international distributors who distribute its products across the world. The Company has a long-standing relationship with the UNICEF, PAHO and the Government of India, which has helped in participating in immunization programs in India and globally.

   The Company's strategic partnerships and collaborations has enabled it in developing innovative, cost effective and quality vaccines and helped in achieving its goal of providing cost-effective vaccines to the global population.

   PBPL has key partnerships with global pharmaceutical companies such as Apotex, Bionpharma, Natco and Breckenridge for marketing of pharmaceutical formulations in USA and other international markets, which has helped in expanding its reach and access to new regulated markets.

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

   The Company as well as PBPL continuously takes steps to strengthen and grow its exports in the coming years including building a strong portfolio, strengthening marketing team, entering into newer markets, identifying distributors and marketing partners into newer regions and registering products in more countries as well as strengthening existing relationships with the partners.

   The Company has registered its vaccines in around 12 countries with further registrations in around 9 countries expected in the near future. The Company is targeting to enter emerging markets with sizeable birth cohort (3-5 mn) to expand business.

   The Company has initiated registrations for sales of hexavalent vaccine EasySix™ in international markets with having received marketing authorization in two countries.

4. Total foreign exchange earned and used:

(Rs. in million)

Particulars	**2020-21**	2019-20
Foreign Exchange Earned:		
F.O.B. value of Exports	2,176.35	1,459.55
Research & License Fees	-	0.72
Interest Income from subsidiary company	29.06	35.62
Profit Share For Sale (Export)	64.22	77.50
Total	2,269.63	1,573.39
Foreign Exchange Used:		
Raw Materials & Packing Materials	538.94	796.73
Components & Spare Parts	20.77	10.55
Capital Goods	1.49	3.00
Legal & Professional Fees	81.01	4.36
Other Expenses:		
- Patents, Trade Marks & Product Registration	5.77	5.80
- Advertising and Sales Promotion	4.24	9.00
- Commission on Sales	-	0.10
- Rates & Taxes	-	23.17
- Testing charges	-	5.19
- General expenses	2.94	10.09
- Bank charges	0.71	1.08
- Travelling expenses	0.24	0.59
- Others	0.51	8.40
Total	656.62	878.06

For and on behalf of the Board

Place : New Delhi
Dated: July 23, 2021

Soshil Kumar Jain
Chairman

Annexure B

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2021

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Name of the Director	Designation	Ratio to median remuneration of employees
Mr. Soshil Kumar Jain	Chairman	31.21
Dr. Rajesh Jain	Managing Director	20.68
Mr. Sandeep Jain	Joint Managing Director	19.38
Mrs. Sunanda Jain*	Whole-time Director	10.62
Mr. Sumit Jain*	Director Operations & Projects	13.73
Mr. Ankesh Jain	Director Sales & Marketing	7.32

* Ceased to be Whole-time Director w.e.f. close of business hours on 07.10.2020

b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21:

Name of the Director & KMP	Designation	% change in remuneration@
Mr. Soshil Kumar Jain	Chairman	-2.65%
Dr. Rajesh Jain	Managing Director	-1.63%
Mr. Sandeep Jain	Joint Managing Director	1.97%
Mrs. Sunanda Jain*	Whole-time Director	-30.64%
Mr. Sumit Jain*	Director Operations & Projects	12.03%
Mr. Ankesh Jain	Director Sales & Marketing	2.65%
Mr. Devender Gupta	Chief Financial Officer and Head Information Technology	-
Mr. Vinod Goel	Group C.F.O. and Head Legal & Company Secretary	-

* Ceased to be Whole-time Director w.e.f. close of business hours on 07.10.2020

@ During financial year, the terms of remuneration of the Chairman, Managing / Joint Managing Director, Whole-time Directors, Chief Financial Officer and Company Secretary of the Company have remained the same. The increase / decrease in remuneration is on account of change in value of perquisites only.

c. The percentage decrease in the median remuneration of employees in the financial year 2020-21: 10%.

d. The number of permanent employees on the rolls of the Company: 1,013 as at March 31, 2021.

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

   The average percentile decrease in remuneration of employees other than managerial remuneration was 17.04%. The average percentile of the managerial remuneration for the year was decreased by 1.37%.

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

For and on behalf of the Board

Place : New Delhi
Dated: July 23, 2021

Soshil Kumar Jain
Chairman

Annexure C

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Employee Name	Designation	Remuneration (Rs. in million)	Nature of employment	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in Yrs.)	Particulars of Last Employment: Name of Employer, Designation, Period of Service (Years)
A. Top 10 employees in terms of remuneration drawn during the financial year 2020-21:									
1.	Mr. Soshil Kumar Jain	Chairman	11.20	Contractual	Pharmacist	66	02.02.1984	88	Nil
2.	Dr. Rajesh Jain	Managing Director	7.42	Contractual	Ph. D	37	15.11.1984	57	Nil
3.	Mr. Sandeep Jain	Joint Managing Director	6.95	Contractual	Senior Secondary	37	15.11.1984	55	Nil
4.	Mr. Rajinder Kumar Suri@	Chief Executive Biologicals	6.50	Permanent employee	M. Sc. (H) Bio-chemistry	43	01.07.2019	66	Self-employed (Proprietor-Arete Business Advisors), associated with Panacea Biotec Ltd. as Senior Advisor, 3.3 years
5.	Mr. Ranandu Bhattacharya	Vice President - Panacea Vaccines SBU	6.27	Permanent employee	B. Sc. (Chemistry Hons)	24	06.03.2020	51	Cipla Ltd., Business Head-Diabetes SBU, 2.3 years
6.	Mr. Rajneesh Chatrath	Vice President - Corporate Quality Assurance	5.72	Permanent employee	M. Sc. (HS)	29	03.10.2000	53	ECO-MED Pharmaceuticals Inc., QA Associate, 4 Months
7.	Mr. Vinod Goel	Group CFO and Head Legal & Company Secretary	5.37	Permanent employee	M.Com, LLB, ACMA & FCS	34	13.01.1999	56	Prakash Industries Limited, Company Secretary, 9 years
8.	Mr. Sumit Jain*	Whole-time Director	4.92	Contractual	B.Com, PGDBM	17	16.05.2003	39	Nil
9.	Mr. Amit Shrikant Apte	National Sales Manager - Panacea Vaccine SBU	4.52	Permanent employee	B. Pharma, PGDMM-MKT	20	19.12.2019	43	Ascensia Diabetes Care India Pvt. Ltd., National Sales Manager, 2.10 years
10.	Mr. Lalitendu Mohanty	V. P. - Clinical Research, Bio-analytical Lab	4.16	Permanent employee	MBBS, MD	21	02.01.2001	54	Pan American Institute of Medical Transcription, Center Head, 6 Months.
B. Employed for part of the year and in receipt of remuneration which in aggregate was not less than Rs.850,000 per month									
Nil									

@ Ceased to be employee w.e.f. close of business hours on 13.01.2021.
* Ceased to be Whole-time Director w.e.f. close of business hours on 07.10.2020.

Notes:

1. Remuneration includes salary, commission on profits, house rent allowance, bonus, Company's contribution to Provident Fund, Leave Travel Allowance, Medical Assistance and all allowances paid in cash and monetary value of taxable perquisites wherever applicable and does not include provision for Gratuity/ Retirement Benefit.
2. There was no employee who was employed either throughout the financial year or part thereof, who was holding either by himself or along with the spouse and dependent children 2% or more of the Shares of the Company and drawing remuneration in excess of the remuneration drawn by Managing Director / Joint Managing Director / Whole-time Director of the Company.
3. Mr. Soshil Kumar Jain was the only person who was employed throughout the Financial Year ended March 31, 2021 and was in receipt of remuneration for the year which is more than Rs.10.2 million. The relevant details are given at Sl. No. 1 of the above table.
4. The terms and conditions of employees at Sl. No. 1 to 3 and 8 of the above table are as approved by the Board of Directors and Shareholders on the recommendation of Nomination & Remuneration Committee. The employees at Sl. No. 4, 5, 6, 7, 9 and 10 of the above table are paid remuneration as per the policy / rules of the Company.
5. None of the above employees is related to any of the Directors except that Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain are related to each other. Mr. Sumit Jain is also indirectly related to the aforesaid Directors.
6. The nature of duties of Chairman, Managing Director, Joint Managing Director and Whole-time Director are as under: Mr. Soshil Kumar Jain, Chairman - Strategic planning, vision and formulation of strategies; Dr. Rajesh Jain, Managing Director - Overall supervision of day-to-day operations, providing the strategic, visionary leadership, management & guidance and directly oversees Innovation and Business Development; Mr. Sandeep Jain, Joint Managing Director - Overall supervision of day-to-day operations with emphasis on international marketing, business development, tax laws and regulatory matters; and Mr. Sumit Jain, Whole-time Director - Overview of administrative matters of Company's Lalru and Baddi facilities and the Supply Chain Management.

For and on behalf of the Board

Place : New Delhi
Dated : July 23, 2021

Soshil Kumar Jain
Chairman

Annexure D

Secretarial Audit Report for the financial year ended March 31, 2021

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

In terms of the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panacea Biotec Limited, a Company incorporated under the provisions of the Companies Act, 1956, vide CIN L33117PB1984PLC022350 and having its registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.

   h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/ propose to buy back any of its securities during the financial year under review.

vi. The management has identified the following laws as specifically applicable to the Company.

   - Drugs & Cosmetics Act, 1940;
   - Drugs (Control) Act, 1950;
   - Narcotic Drugs and Psychotropic Substances Act, 1955;
   - Dangerous Drugs Act, 1930;
   - Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
   - Epidemic Diseases Act, 1897;
   - Essential Commodities Act, 1955;
   - The Poisons Act, 1919;
   - The Pharmacy Act, 1948;

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

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government;

ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

During the period under review, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- During the previous year, the Company had filed a Scheme of Arrangement for demerger of its real estate business comprising of wholly-owned subsidiary i.e. Radhika Heights Limited ('RHL') alongwith its step down subsidiaries and two real estate properties from the Company ('Demerged Undertaking') to its then wholly-owned subsidiary, Ravinder Heights Limited ('Resulting Company') with the Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT'). The said scheme of arrangement was approved by the Hon'ble NCLT vide its order dated September 09, 2020, and the same became effective on and from September 10, 2020.
- During the previous year, the Company had issued and allotted 7,111,111 convertible warrants ("Warrants") at a price of Rs.180 each on a preferential basis to the India Resurgence Fund - Scheme 1, India Resurgence Fund - Scheme 2 and Piramal Enterprises Limited ("Warrant Holders/Investors"), entitling them to subscribe to an equivalent number of equity shares of face value of Re.1 each at a premium of Rs.179 per share. During the year under review, the warrants stood cancelled as the Investors did not exercise the conversion option within the stipulated time.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
FCS No.:7775
CP No.: 8612
UDIN : F007775C000683516
Peer Review Certificate No. 1403/2021

Place: Delhi
Date : July 23, 2021

Annexure A to the Secretarial Report

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
FCS No.:7775
CP No.: 8612
UDIN : F007775C000683516
Peer Review Certificate No. 1403/2021

Place: Delhi
Date : July 23, 2021

Annexure E

Secretarial Audit Report for the financial year ended March 31, 2021

To
The Members
Panacea Biotec Pharma Limited,
B-1 Extension/A-27, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi -110044

In terms of the provisions of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Panacea Biotec Pharma Limited, a Company incorporated under the provisions of the Companies Act, 2013, vide CIN U24299DL2019PLC347566 and having its registered office at B-1 Extension/A-27, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044 (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not applicable as the Company is an Unlisted Company.

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not applicable.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not applicable as the Company is an Unlisted Company.
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009;
   h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.

vi. The management has identified the following laws as specifically applicable to the Company.
   - Drugs & Cosmetics Act, 1940;
   - Drugs (Control) Act, 1950;
   - Narcotic Drugs and Psychotropic Substances Act, 1955;
   - Dangerous Drugs Act, 1930;
   - Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
   - Epidemic Diseases Act, 1897;
   - Essential Commodities Act, 1955;
   - The Poisons Act, 1919;
   - The Pharmacy Act, 1948;

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

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government;

ii. The Listing Agreements entered into by the Company with Stock Exchanges: Not applicable as the Company is an Unlisted Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that :

During the period under review, the Board of Directors of the Company was duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- During the year under review, the Company has allotted 9,600 Series 3 unrated, unlisted, redeemable, non-convertible debentures ("NCDs"), having face value of Rs.1,00,000 each, aggregating to an amount of Rs.960 million to the existing Debenture holders. The maturity date of Series 3 NCDs is April 05, 2024. The Company has also repaid an amount of Rs.539.60 million towards redemption of Series 2 NCDs.
- In view of cash flow challenges including on account of Covid-19, the Company has requested for re-scheduling the terms of redemption of Series 1A NCDs which were due for redemption on April 07, 2020. During the current year, the Company has executed necessary amendment agreements to extend the maturity date of Series 1A NCDs from April 07, 2020 to June 07, 2021 and again to September 30, 2021.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
FCS No.:7775
CP No.: 8612
UDIN : F007775C000683571
Peer Review Certificate No. 1403/2021

Place: Delhi
Date : July 23, 2021

Annexure A to the Secretarial Report

To

The Members,
Panacea Biotec Pharma Limited,
B-1 Extension/A-27, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi -110044

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
FCS No.:7775
CP No.: 8612
UDIN : F007775C000683571
Peer Review Certificate No. 1403/2021

Place : Delhi
Date : July 23, 2021

Business Responsibility Report

This Business Responsibility Report ("BRR") for the financial year ended March 31, 2021 conforms to the Business Responsibility Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated the inclusion of BRR as part of the Company's Annual Report for top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) and the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L33117PB1984PLC022350
2. Name of the Company: Panacea Biotec Limited (the "Company" or "Panacea Biotec")
3. Registered Address: Ambala - Chandigarh Highway, Lalru - 140 501, Punjab, India
4. Website: www.panaceabiotec.com
5. E-mail ID: companysec@panaceabiotec.com
6. Financial Year reported: 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 21002 - Manufacture of allopathic Pharmaceuticals preparations
8. List three key products / services that the Company manufactures / provides (as in balance sheet): The Company manufactures and markets a wide range of vaccines in India and international markets.
9. Total number of locations where business activity is undertaken by the Company:
   i. Number of International Locations: The Company has 2 non-trading Offices in Russian Federation and Vietnam and 2 wholly-owned subsidiary companies in Switzerland and Germany, respectively.
   ii. Number of National Locations: The Company's businesses and operations are spread across different geographies in India. The Company has 2 state-of-the-art manufacturing facilities located at Lalru, Punjab and Baddi, Himachal Pradesh; 2 R&D Centres at Lalru, Punjab and New Delhi; 1 sales & marketing office at Mumbai; and 2 corporate offices at New Delhi. The Company also has 1 Central Warehouse at Baddi, Himachal Pradesh and 14 depots / CFAs across various locations in India. The details of business performance in Indian markets as well as International markets are reported as a part of the Management Discussion and Analysis Report, which forms a part of the Annual Report.
10. Markets served by the Company - Local / State / National / International: The Company has a significant presence in India and is also exporting its products to UNICEF, PAHO and other governments of several countries globally.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details as on March 31, 2021
1.	Paid Up Share Capital	Rs.222.62 million
2.	Total Turnover	Rs.3,435.55 million (standalone)
3.	Total Profit/(Loss) after Tax	(Rs.144.41 million) (standalone)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Not applicable
5.	List of activities in which the expenditure in 4 above has been incurred	Not applicable

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

   Yes, the Company has subsidiary companies in India and overseas. The details of the subsidiaries have been disclosed in the Directors' Report forming part of the Annual Report for the financial year 2020-21.

2. Do the Subsidiary Company / Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary companies:

   None of the subsidiary companies except Panacea Biotec Pharma Limited, directly or indirectly, participate in Business Responsibility initiatives of the Company.

3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entities? [Less than 30%, 30 - 60% and More than 60%]:

   The Company has not instituted any process to monitor / verify whether any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company.

Business Responsibility Report

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director / Directors responsible for Business Responsibility:

 a. Details of the Director / Director responsible for implementation of the Business Responsibility policy / policies

Name	DIN	Designation
Dr. Rajesh Jain	00013053	Managing Director

 b. Details of the Business Responsibility Head

DIN (if applicable)	Dr. Rajesh Jain, Managing Director of Panacea Biotec, oversees the Business Responsibility implementation. The Company has not appointed a Business Responsibility Head as of now.
Name	
Designation	
Telephone number	
E-mail ID	

2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy / Policies:

 a. Details of compliance (Reply in Yes / No)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics, Transparency and Accountability	Product Life Cycle Sustainability	Employee Well being	Stakeholder Engagement	Human Rights	Environment	Public Advocacy	Inclusive Growth and Equitable Development	Customer Value Creation
1	Do you have policy / policies for:	Yes								
2	Has the policy been formulated in consultation with relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are in line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?	All statutory policies have been approved by the Board of Directors and signed by the Chairman / Managing / Joint Managing Director of the Board of Directors of the Company, whereas other policies are signed by the Managing Director or the respective business / unit head.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Policies are implemented and being reviewed regularly by the respective business / unit head.								
6	Indicate the link to view the policy online?	Relevant policies and code of conduct are available on the Company's website and can be viewed at: https://www.panaceabiotec.com/investor-zone								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal and external stakeholders and it is an ongoing process.								
8	Does the Company have in-house structure to implement its policy / policies?	Yes, the Company has necessary structure in place to implement the policies.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to policy / policies?	Yes, the Company has necessary grievance redressal mechanism, to address stakeholders' grievances related to the policies.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes, the policies are evaluated internally.								

 b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to Business Responsibility

 a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

 The Company's Business Responsibility performance is reviewed annually by the Board of Directors.

b. Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Business Responsibility Report has been published along with the Annual Report of Panacea Biotec for the financial year 2020-21 and it can be viewed at: https://www.panaceabiotec.com/investor-zone.

The Business Responsibility Report will be published on annual basis. The Company published the report for the first time along with the Annual Report of Panacea Biotec for the financial year 2019-20.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company has adopted an Anti-Corruption Compliance Policy which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company under which strict action is envisaged against Company Personnel who are found indulged into the practice of giving / accepting undue favours to / from government officials or any other stakeholders like customers, investors, clients, third parties or other private parties.

   The Company is committed for maintaining the highest standards of ethical conduct. The Code of Conduct ("CoC") adopted by Panacea Biotec is applicable to all Board Members and employees of the Company and intends to remind them of their responsibility towards the community and build the relationship based on integrity, fairness and other values of the Company in their dealings with customers, vendors etc. which are testaments to the Company's efforts in ensuring that ethical conduct is not compromised. The Company encourages and expects the parties with whom the Company has dealings to comply with CoC to the extent possible.

   The Company has also implemented a Vigil Mechanism across the organisation to encourage reporting of unethical behaviour, actual or suspected fraud, unlawful or inappropriate activities and to act in accordance with the highest standards of integrity.

   The above mentioned Policy(ies)/Code(s) also extend to the Group/ Joint Ventures.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the financial year 2020-21, the Company has received 2 complaints from the shareholders (including 1 anonymous complaint from a shareholder through SEBI SCORES which was forwarded to SEBI through PMO Grievance Cell with respect to the Scheme of Arrangement for demerger of real estate business of the Company), which have suitably been responded during the financial year. Moreover, after considering the Company's response and hearing all the concerned parties, the Scheme has been sanctioned by the Hon'ble National Company Law Tribunal, Chandigarh Bench vide its Order dated September 09, 2020 and the Scheme has become effective from September 10, 2020. Further, the Company has not received any significant external stakeholder complaint during the financial year 2020-21.

   Various Committees have been constituted and are in operation to address the needs / grievances / complaints of our various stakeholders. For instance, an Internal Complaints Committee has been constituted to address complaints of sexual harassment, if any; the Stakeholder's Relationship Committee reviews grievances of shareholders etc. The complaints received are thoroughly investigated and systematically resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

   Panacea Biotec touches the lives of people every day through its vaccines. Our manufacturing facilities are inspected by the World Health Organisation and the regulatory authorities of India and other major countries. The approvals are given after a thorough audit of standard operating procedures and protocols. Hence, utmost care is taken to ensure that products conform to stringent quality standards and bio-stability of products is submitted during the periodic audits.

   Quality is 'must - have' and patient safety is Panacea Biotec's primary focus. Panacea Biotec constantly monitors and improves its quality management encompassing each aspect of quality including quality systems, inspection readiness, quality risk management, quality performance and quality culture. Panacea Biotec aims to guarantee quality at each phase of a product's life cycle.

   Panacea Biotec's manufacturing facilities follow Good Manufacturing Practices (GMP) for product packaging and labelling. Products are appropriately labelled as per the applicable Drug Regulations. The authenticity and anti-counterfeit feature for the product is maintained by using suitable security seals in the packaging along with unique serialization and QR Code, as implemented for some products.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).

   (i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

      The Company produces several vaccines and drug substance at its manufacturing sites and distributes a

Business Responsibility Report

wide range of vaccines and purchases a large number of drug substances, raw materials and packaging materials. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company has taken several ongoing measures to reduce consumption of water and energy.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

   The Company has identified approved vendors for procuring materials and a Standard Operating Procedure is in place for sourcing raw materials both from local as well international sources. Majority of procurement of materials is from the approved vendors.

   The Company's quality assurance team conducts periodic audits of vendors, especially those who supply key materials. The Company has long standing business relations with regular vendors and continues to receive unrelenting support from its vendors.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   As far as feasible, the Company procures goods and avail services from local and small vendors for its manufacturing premises and offices, particularly those located around its manufacturing and other locations. It improves operational efficiency and helps save on transportation costs, inventory management and helps in risk mitigation.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The pharmaceutical products including vaccines cannot be recycled. The waste generated in the Company's operations is either recycled or disposed off in safe and scientific manner as per applicable rules / laws. Each manufacturing facility has its own Effluent Treatment Plant as well as tie-up with approved waste management vendors, which ensures discharge of waste meets the norms prescribed by respective pollution control boards.

<u>Principle 3: Businesses should promote the well-being of all employees</u>

1. Please indicate the total number of employees: 1013
2. Please indicate the total number of employees hired on temporary / contractual / casual basis: 184
3. Please indicate the number of permanent women employees: 82
4. Please indicate the number of permanent employees with disabilities: 01
5. Do you have an employee association that is recognised by management: No
6. What percentage of your permanent employees are members of this recognised employee association?: Not applicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints received during the financial year	No. of complaints pending at the end of the financial year
a.	Child Labour/ Forced Labour/ Involuntary Labour	Nil	Nil
b.	Sexual Harassment	Nil	Nil
c.	Discriminatory employment	Nil	Nil

   As a responsible corporate citizen, Panacea Biotec neither have nor encourages any form of child labour, forced labour or bonded labour. The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   The permanent and contractual employees at the Company's manufacturing sites, R&D Centres and other corporate offices are provided training on relevant Environment, Health and Safety aspects ("EHS"). Around 41.52% employees of the total strength were imparted training for EHS during the year.

   Further, permanent and contractual employees are also given soft skill up-gradation training to improve their skills as may be relevant to the respective functions. Around 40.10% employees of the total strength were imparted training for skill development during the year.

<u>Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable and marginalised</u>

1. Has the Company mapped its internal and external stakeholders? : Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders : Yes
3. Are there any special initiatives taken by the Company

to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so : Yes, the Company has undertaken several activities which includes disaster relief through donation of medicines etc.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   In line with the Company's commitment to respect and protect human rights, the Company neither hires child labour, forced labour or involuntary labour nor discriminates between its employees. The Company's code of conduct and the human resource practices cover most of these aspects. This policy extends to the entire Panacea Group.

2. How many stakeholder complaints have been received in the past financial year on breach of human rights and what percent was satisfactorily resolved by the management?

   No complaints on breach of human rights were received by the Company during the financial year 2020-21.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.

   The Company has a Policy on Environment Occupational Health and Safety (EOHS), which covers all the operations of the Company and the same extends to subsidiaries of the Company, wherever applicable.

   The Company is committed towards conservation of the environment and compliance with all requirements related to Environment, Health and Safety (EHS). The Company undertakes all its operations with a high concern and sincerity for environment and its surroundings as well as the safety and health of people. The Company has dedicated EOHS Protection department and also engages the services of consultant for independent evaluation of EOHS activities. The Company is committed to achieve all the norms within the limits for emission and discharge of air and water, as may be laid down by the regulators. The Company complies with pollution and environmental laws.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

   The Company has not taken any such strategies / initiatives. However, the Company has plans to switch over to renewable source of energy in due course of time. Further, the Company has initiated erection and commissioning of new 6 ton Briquette Fired Boiler (to run with Fire Briquette or Wood Fire) at Baddi to replace Furnace Oil Fired Boilers thereby shifting to renewable energy source and to also reduce Sulphur emission.

3. Does the Company identify and assess potential environmental risks? Y / N

   Yes, the Company has identified and regularly assess potential environmental risks. The risks identified by the Company and the corrective measures being taken by the Company include the following:

   Waste Water generated during production of Vaccines: The manufacturing facilities have Effluent Treatment Plants which are operational and are regularly monitored for compliance with the prescribed limits / parameters.

   Biomedical and Hazardous Waste: The biomedical and hazardous wastes generated at the manufacturing facilities are being disposed off as per the prescribed rules and regulations.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   Presently, the Company does not have any such mechanism in place.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page, etc.

   As a part of the Company's initiatives for use of renewable energy, the Company has undertaken initiatives for use of renewable energy and applied for setting-up hydro power projects in the state of Himachal Pradesh and Arunachal Pradesh through its joint ventures. However, no major investments / activities have yet been undertaken in this regard.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

   Emission / waste generated by the Company are within the permissible limits given by CPCB / SPCB for the financial year 2020-21.

7. Number of show cause or legal notices received from CPCB or SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   The Company has not received any legal notices from CPCB or SPCB during the Financial Year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

   The Company is a member of following Chambers and Associations:

   A. Indian Pharmaceutical Alliance;

   B. Federation of Indian Chambers of Commerce and Industry (FICCI);

Business Responsibility Report

C. The Indian Drug Manufacturers Association;

D. Confederation of Indian Industry; and

E. Federation of Indian Export Organisations.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

   The Company interacts with Government / Regulatory Authorities on any public policy framework through apex industry institutions, like Indian Pharmaceutical Alliance, Federation of Indian Chambers of Commerce and Industry, The Indian Drug Manufacturers Association and Confederation of Indian Industry. The Company puts forth its views on new standards or regulatory developments pertaining to the pharmaceutical manufacturing industry, broadly in the areas concerning access to medicines, best practices, corporate governance, corporate social responsibility, etc.

<u>Principle 8: Businesses should support inclusive growth and equitable development</u>

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Panacea Biotec is committed to working in collaboration with relevant stakeholders to increase access to healthcare and quality medicines designed to improve people's health within an economically sustainable framework that supports innovation. Panacea Biotec's aim is to meet the needs of the greatest number of patients and human beings across the globe.

   The key initiatives taken under CSR program were awareness initiatives on Diabetes, Cancer, Cardiovascular & Osteoporosis diseases, Organ Donation and lifestyle management with such chronic diseases, and training on critical healthcare. The key programs of the Company for creating awareness provides patients with educational material and other resources to teach them how to cope with chronic diseases and adapt to the lifestyle that will help them to better manage their condition and lead a good quality of life.

   Panacea Biotec is also supporting the Government of India in its fight against the Covid-19 pandemic by maintaining manufacturing continuity to ensure regular supply of medicines to customers / patients across the world and by donating Covid-19 specific medicines, hand sanitisers, masks, etc.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

   These programs are undertaken internally by an in-house team and also with the help of NGOs.

3. Have you done any impact assessment of your initiative?
   No

4. What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken?

   While the Company participates in various community development activities, however, the Company has not separately measured its contribution to community development projects. Moreover, the Company was not required to undertake any CSR initiatives as the provisions of the Companies Act, 2013 relating to CSR are not attracted to the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   No

<u>Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner</u>

1. What percentage of customer complaints / consumer cases are pending as at the end of financial year?

   There were no customer complaints received / consumer cases filed against the Company in the reporting period. There are no complaints or consumer cases pending as on the end of the financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

   Yes, the Company displays all product information on the product label, which is mandatory and as may be required for the use of the products by the consumers.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No, the Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behaviour. The Company has various checks and balances to ensure that the business of the Company is done in a fair and responsible manner.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   The Company carries out the consumer satisfaction survey to measure the satisfaction among its consumers. A full-fledged Pharmacovigilance cell has been set up to track, review and act on any adverse event complaints. Post marketing surveillance is also carried out by the marketing team as well as with the help of medical professionals to track and monitor the efficacy and safety of the products.

For Panacea Biotec Limited

Place : New Delhi
Dated: July 23, 2021

Soshil Kumar Jain
Chairman

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

At Panacea Biotec, Corporate Governance is a reflection of its value system encompassing its culture, policies and relationships with its shareholders. The Company recognizes that the enhancement of Corporate Governance is one of the most important aspects in terms of achieving the Company's goal of enhancing corporate value by deepening societal trust. The Corporate Governance standards established and updated from time to time by the Board of the Company provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders.

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Corporate Governance is the key attribute in ensuring commitment to values, ethical business conduct, investors' protection, excellent work environment leading to highest standards of management and maximization of everlasting long-term values. It is about how an organization is being managed. Panacea Biotec beholds Corporate Governance measures as an integral part of business which adds to considerable internal and external values and contributes to business growth.

Panacea Biotec believes in the philosophy of practicing code of Corporate Governance that provides a framework by which the rights and responsibilities of different constituents such as the Board, employees and shareholders are defined.

The Company believes that timely and accurate disclosure of information, transparency in accounting policies and a strong and independent Board are critical for maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value. For establishing good corporate governance, the Company has put systems, procedures, policies, practices, standards in place to ensure effective strategic planning, optimum risk management, integrity of internal control and reporting. The Company's philosophy on Corporate Governance is, thus, concerned with the ethics, values and morals of the Company and its directors who are expected to act in the best interests of the Company and remain accountable to members and other beneficiaries for their actions and properly comply with all the applicable legal and regulatory requirements.

2. Board of Directors

a) Composition, Category & Size of Board: The Company's policy is to have an appropriate blend of executive directors and non-executive directors, representing a judicious mix of professionalism, knowledge and experience, in line with the management's commitment for the principle of integrity and transparency in business operations for good corporate governance.

As on March 31, 2021, the Board consisted of 12 members out of which 4 were executive directors, 1 was nominee director and 7 were non-executive independent directors (including one woman director). The size and composition of the Board conforms to the requirements of Regulation 17(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") enjoining optimum combination of executive and non-executive directors, with not less than 50 percent of the Board comprising of non-executive directors and at least one-half comprising of independent directors.

b) Board functioning & procedure:

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

The Board is committed to ensure good governance through a self-governing style of functioning. The directors enjoy complete freedom to express their opinion. The decisions are taken on the basis of consensus / majority arrived at after detailed discussions. The directors are also free to bring up any matter for discussion at the Board Meetings.

ii) Scheduling and Selection of Agenda items: The Board meets at least four times in a year, with a maximum time gap of 120 days between any two meetings, to discuss and review the quarterly results and other items of agenda, including the minimum information required to be placed before the Board, as per Part A of Schedule II of SEBI LODR Regulations. The Board also meets and conducts additional meetings as and when required and thought fit. The dates for the Board Meetings are decided in advance and timely communicated to the Directors.

The Chairman / Managing Director / Joint Managing Director of the Board and the Company Secretary discuss the items to be included in the agenda. The agenda of the meeting along with relevant supporting documents and explanatory notes is generally circulated in advance (at least one week before the meeting) to all the directors entitled to receive the same, to facilitate meaningful and quality discussions during the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. The Board members are at liberty to bring up any matter for discussions at the Board Meetings and the functioning of the Board is democratic.

Update(s) on matters arising from previous meetings are placed at the succeeding meeting of the Board/ Committees for discussions, approvals, noting, etc.

iii) Minimum Information placed before the Board Members: In addition to the regular business items, the Company provides the following information to the Board and / or Board Committees as and when required, either as part of the agenda papers or by way of presentations and discussion material during the meetings:

- Annual operating plans & budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the Board level, including

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appointment or removal of the Chief Financial Officer and the Company Secretary;

- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement, if any;
- Transactions, if any, that involve substantial payment towards goodwill, brand equity or intellectual property;
- Any significant labour problems and their proposed solutions;
- Any significant development in human resources/ industrial relations front;
- Any sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

iv) Recording Minutes of the Proceedings: The minutes of the proceedings of each Board / Committee / Shareholders' Meetings are recorded. Draft minutes of the Board / Committee meetings are circulated amongst all the members of the Board / Committee for their feedback / comments. The minutes of all the meetings are entered in respective Minutes Books within prescribed time limits.

v) Post Meeting Follow-Up Mechanism: In adherence to good corporate governance, the important and significant decisions taken at the Board / Committee levels are promptly communicated to the concerned departments. Moreover, the action taken in respect of such decisions is also reported in the form of status report and is placed at the next meeting of the Board / Committee.

vi) Statutory Compliance of Laws: The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

c) Board Meetings and attendance: During the financial year 2020-21, five (5) Board Meetings were held on June 16, 2020, June 29, 2020, September 03, 2020, November 11, 2020 and February 12, 2021.

The Company effectively uses facility of audio-visual means to enable the participation of Directors who cannot attend the Board or Committee meeting(s) in person.

The attendance of directors at Board Meetings held during the financial year 2020-21 and last Annual General Meeting ("AGM") and number of their other directorships & committee memberships / chairmanships as on March 31, 2021, is as under:

S. No.	Name of Director and Category of Directorship	No. of board meetings held during the tenure	Attendance at meetings during 2020-21		No. of Directorships[$] and Committee Memberships/ Chairmanships[$$] held in other Companies			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM	Directorships	Committee Memberships	Committee Chairmanships	
1.	Mr. Soshil Kumar Jain, Promoter - WTD - Chairman	5	1	No	3	0	0	Nil
2.	Dr. Rajesh Jain, Promoter - MD	5	5	No	3	0	0	Nil
3.	Mr. Sandeep Jain, Promoter - JMD	5	5	Yes	2	0	0	Nil
4.	Mrs. Sunanda Jain, Promoter Group - WTD*	3	3	NA	NA	NA	NA	NA
5.	Mr. Sumit Jain, Promoter Group - WTD*	3	3	NA	NA	NA	NA	NA
6.	Mr. Ankesh Jain, Promoter Group - WTD	5	4	Yes	2	0	0	Nil
7.	Mr. Shantanu Yeshwant Nalavadi, NEND	5	4	No	3	0	0	Nil
8.	Mr. Ashwini Luthra, NEID**	5	5	Yes	0	0	0	Nil
9.	Mr. Bhupinder Singh, NEID	5	5	No	3	0	0	Avonmore Capital & Management Services Limited - NEID Emmsons International Limited - NEID
10.	Mr. K. M. Lal, NEID	5	5	No	5	3	2	Polylink Polymers (India) Limited - NEID
11.	Mrs. Manjula Upadhyay, NEID	5	4	No	2	0	0	Nil
12.	Mr. Mukul Gupta, NEID	5	5	Yes	0	0	0	Nil
13.	Mr. N. N. Khamitkar, NEID	5	5	Yes	4	4	3	Ravinder Heights Limited - NEID
14.	Mr. R. L. Narasimhan, NEID	5	5	Yes	4	3	1	Ravinder Heights Limited - NEID

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

$ Excludes directorship in foreign companies, membership of managing committees of various chambers / bodies / Section 8 companies and the Company.

$$ In accordance with Regulation 26(1) of SEBI LODR Regulations, memberships / chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding the Company) have been taken into account.

* Ceased to be Whole-time Director of the Company from close of business hours on 07.10.2020.

** Ceased to be director of the Company w.e.f. 11.07.2021 due to his sad demise.

None of the directors on the Board is a member in more than 10 committees across all the public limited entities in which he / she is a director and / or acts as Chairman of more than 5 committees across all the listed entities in which he / she is a director.

None of the independent directors is serving as an independent director in more than 7 listed companies including Panacea Biotec Ltd.

d) Disclosure of relationships between directors inter-se: Mr. Soshil Kumar Jain, Chairman of the Company is the father of Dr. Rajesh Jain & Mr. Sandeep Jain and grandfather of Mr. Ankesh Jain (son of Dr. Rajesh Jain).

None of the other directors of the Company are related to each other.

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

f) Familiarization Programme for the Independent Directors: The Company has established a Familiarization Programme for Independent Directors in terms of the provisions of the SEBI LODR Regulations. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

The Company believes that the Board should be continuously empowered with knowledge of latest developments affecting the Company & the Industry and for ensuring the same, periodic presentations are made at the Board or Committee meetings on business and performance updates of the Company including Finance, Sales, Marketing etc. along with various changes in regulatory framework and its impact on the Company etc.

Visits to plant locations are generally organised for the Independent Directors to enable them to understand and get acquainted with the operations of the Company. However, due to COVID-19 pandemic, such visits were not organised during the financial year 2020-21.

The familiarization programme aims at helping the Board members to understand the functions and operations of the Company, its management, its business model and business risks, nature of industry in which it operates, the regulatory challenges apart from their roles, rights, responsibilities in the Company, etc.

The framework and the details of familiarization programme conducted for Board members may be accessed on the Company's website at the link: https://www.panaceabiotec.com/statutory-policies.

g) Key qualifications, core skills, expertise and attributes available with the Board: In terms of requirement of SEBI LODR Regulations and in the context of the Company's business and activities, the Board has identified the knowledge / expertise / core skills / behavioral traits of the Directors, as given below:

- Knowledge: Specialization / Expertise in one or more fields of Science & Innovation, Research & Development, Finance & Accounts, Legal, Governance, Industry Knowledge, Risk Management, General Management.
- Skills: Business Leadership, Strategic Thinking / Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills.
- Behavioral Traits: Integrity, Genuine interest, Interpersonal Skills / Communication, Active Participation.

The knowledge area / skills / behavioral traits of the Directors on the Board of the Company as on March 31, 2021 are given below:

Name of the Directors	Knowledge : Whether the Specialization / Expertise in one or more fields is possessed by the Director of the Company						
	Science & Innovation, Research & Development	Finance & Accounts	Legal	Governance	Industry Knowledge (Pharma Industry)	Risk Management	General Management
Mr. Soshil Kumar Jain, Promoter - WTD - Chairman	√	-	-	√	√	√	√
Dr. Rajesh Jain, Promoter - MD	√	√	√	√	√	√	√
Mr. Sandeep Jain, Promoter - JMD	√	√	√	√	√	√	√
Mr. Ankesh Jain, Promoter Group - WTD	√	√	√	√	√	√	√
Mr. Shantanu Yeshwant Nalavadi - NEND	-	√	-	√	√	√	√
Mr. Ashwini Luthra - NEID*	-	√	√	√	-	√	√
Mr. Bhupinder Singh - NEID	-	√	-	√	√	√	√
Mr. K. M. Lal - NEID	-	√	√	√	√	√	√
Mrs. Manjula Upadhyay - NEID	-	-	√	√	√	√	√
Mr. Mukul Gupta - NEID	-	√	√	√	√	√	√
Mr. N. N. Khamitkar - NEID	-	-	-	√	√	√	√
Mr. R. L. Narasimhan - NEID	√	√	-	√	√	√	√

* Ceased to be director of the Company w.e.f. 11.07.2021 due to his sad demise.

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As far as Skills namely Business Leadership, Strategic Thinking / Planning Skills, Problem Solving Skills, Analytical Skills, Decision Making Skills and Behavioral Traits namely Integrity, Genuine interest, Interpersonal skills / Communication and Active Participation are concerned, all the Directors of the Company possess the same.

The Board is satisfied that it is comprised of highly qualified members who possess required skills, expertise, diversity and competencies which is required for effective functioning of the Company and allow them to make effective contributions to the Board and its Committees. From time to time, members of the Board have also received recognition from the Government, industry bodies and business associations for the contribution made in their respective areas of expertise.

h) Confirmation regarding Independent Directors: The Independent Directors provide annual confirmations stating that they meet the criteria of independence as stated in Section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16 of the SEBI LODR Regulations. On the basis of confirmations / declarations / disclosures received from the Independent Directors and on evaluation of the relationship disclosed, the Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the Act and SEBI LODR Regulations and are independent of the management.

i) Separate Meeting of Independent Directors: In terms of Schedule IV of the Act read with the Rules thereunder, one meeting of independent directors was held on November 11, 2020 without the attendance of non-independent directors to review the performance of the non-independent directors including Chairman and the Board as a whole. All independent directors were present during the above said meeting. Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board. They also provided the feedback to the Board about the key elements that emerge out of the meeting.

j) Independent director databank registration: Pursuant to the requirements issued by Ministry of Corporate Affairs ("MCA") vide its notification dated October 22, 2019, the details of all the independent directors of the Company are registered in the databank of Indian Institute of Corporate Affairs ("IICA"). Requisite disclosures under Section 149(6) of the Act, have also been received from the independent directors in this regard.

k) Code of Conduct: The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company which gives guidance and support needed for ethical conduct of Business and compliance of law. The said Code has been communicated to the directors and senior management personnel and is also available on the website of the Company and can be accessed through the link: https://www.panaceabiotec.com/code-of-conduct.

Declaration from the Managing Director confirming that the Company has received affirmations from the Board members and the senior management personnel regarding compliance of Code of Conduct during the year under review, is annexed as **Annexure – I** and forms part of this Report.

l) Succession Planning: The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee of the Company works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and senior management.

The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met. The Board members also bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

m) Disclosure regarding appointment / re-appointment / cessation of Directors: Every appointment / re-appointment made to the Board is recommended by the Nomination and Remuneration Committee after considering various factors such as qualifications, positive attributes, area of expertise and other relevant criterias. The same is further taken up for shareholders' approval, as and when required, under the provisions of applicable laws.

During the year under review, Mrs. Sunanda Jain and Mr. Sumit Jain, Whole-time Directors, have ceased to be directors of the Company w.e.f. October 07, 2020. Further, during the current year, Mr. Ashwini Luthra, independent director, departed for his heavenly abode on July 11, 2021. The detailed information pertaining to changes in Board of Directors is furnished in the Directors' Report, forming part of the Annual Report.

Mr. Soshil Kumar Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain were earlier re-appointed as Whole-time Director designated as Chairman, Managing Director, Joint Managing Director and Whole-time Director designated as Director Sales & Marketing, respectively for a period of three (3) years w.e.f. April 01, 2019 i.e. till March 31, 2022 and the said re-appointments were also approved by the shareholders in AGM of the Company held on September 29, 2018. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has re-appointed the aforesaid directors at their respective designations for a further period of three (3) years w.e.f. April 01, 2022, subject to the approval of shareholders in the ensuing AGM. Further, Dr. Rajesh Jain, Managing Director is liable to retire by rotation and being eligible, he has offered himself for re-appointment as director at the ensuing AGM. The terms and conditions for their re-appointment are contained in the Explanatory Statement forming part of the Notice of the ensuing AGM of the Company.

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

i. Mr. Soshil Kumar Jain

Age: 88 Years

Qualification: Qualified Pharmacist

Professional Expertise: Mr. Soshil Kumar Jain has around 66 years' experience in the pharmaceutical industry. He is the founder promoter & director of the Company and has been its Chairman since October, 1984. He started his career in the Indian pharmaceutical industry by joining his family business in the form of a chemist shop set up by his father. Prior to promoting Panacea Biotec, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products. He is involved in the strategic planning, vision and formulation of strategies for the Company and it is under his leadership that the Company has grown to become one of the leading Indian biotechnology companies.

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

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

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

Shareholding in the Company: He holds 50,00,000 Equity Shares of Re.1 each, comprising 8.16% of total Equity Share Capital of the Company. He also holds 65,04,300, 0.5% Cumulative Non-Convertible & Non-Participating Redeemable Preference Shares of Rs.10 each comprising 40.31% of total Preference Share Capital of the Company.

ii. Dr. Rajesh Jain

Age: 57 Years

Qualification: Post graduate diploma holder in management, Ph.D. holder in Business Administration and a science graduate from University of Delhi.

Professional Expertise: Dr. Rajesh Jain holds the position of Managing Director since March 2018. He has an experience of around 37 years' in the pharmaceutical and vaccine manufacturing industry. He is providing the strategic, visionary leadership, management & guidance and directly oversees Innovation and Business Development of Panacea Biotec. Utilizing outstanding analytical skills and an exceptional knowledge of science, he fortifies policies and strategies that contribute to the Company's overall record of success and maintain its superlative legacy of excellence.

He is Chairman, Confederation of Indian Industry (CII), National Committee on Biotechnology for 2021-22 and earlier served as CII Chairman during the periods 2011-12, 2012-13, 2019-20 and 2020-21. He was Vice President of Indian Pharmaceutical Alliance (IPA) for 2017-19 and 2019-21. He was Hon'ble Member of Indian Pharmacopeia (IP) Expert Working on Vaccines and Immunosera for Human Use in the year 2017. He was Member of Research Council of CSIR - Central Drug Research Institute (CSIR-CDRI), Lucknow for the year 2017-18. He was also a Board Member for Innovation and Incubation Foundation - Delhi Pharmaceuticals Sciences and Research University (DPSRU) for the year 2017 and member of Academic Council of DPSRU for three years w.e.f. September 2018. He was an external member of the Board of Studies in Pharmacology, Biotechnology, Clinical Pharmacy and Hospital Pharmacy of DPSRU for three years w.e.f. September 2018. He is a member of Delhi Pharmaceuticals Sciences and Research University Vision 2030. His commitment and actions towards making affordable vaccines for mass has been appreciated and valued globally by GAVI and Bill & Melinda Gates Foundation during the pledge conference in June 2011 & in January, 2015. Mr. Bill Gates has himself lauded the efforts of Dr. Rajesh Jain towards this noble cause.

He was included amongst the Top 40 influential people in global pharmaceutical industry according to the World Pharmaceutical Frontiers published in SPG Media, London in 2008. He released following two position papers:

- CII recommendations for Guideline Changes in Vaccine Approval Procedures.
- The Make in India Imperative - Position Paper on Regulatory and Policy Changes required for Sustained competitiveness of the Indian Vaccine Industry.

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

Directorships: He is the Managing Director of Panacea Biotec Pharma Limited and director of PanEra Biotec Private Limited & Adveta Power Private Limited.

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

Shareholding in the Company: He holds 2,52,17,312 Equity Shares of Re.1 each, comprising 41.17% of total Equity Share Capital of the Company. He also holds 65,04,300, 0.5% Cumulative Non-Convertible & Non-Participating Redeemable Preference Shares of Rs.10

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each comprising 40.31% of total Preference Share Capital of the Company.

iii. Mr. Sandeep Jain

Age: 55 Years

Qualification: Senior Secondary

Professional Expertise: Mr. Sandeep Jain has an experience of around 37 years' in the pharmaceutical industry. He has significant experience in corporate finance, corporate governance and compliance matters and is involved in the overall supervision of day-to-day operations with emphasis on international marketing, business development, tax laws and regulatory matters. Under his exceptional understanding of the business principles, the Company is continuously expanding its global aspirations by improving its international marketing efforts into various markets across the globe and is currently exporting its branded formulations in CIS countries, Asia, Eastern Europe and African region.

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

Directorships: He is director of PanEra Biotec Private Limited and Neophar Alipro Limited.

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

Shareholding in the Company: He holds 1,00,31,600 Equity Shares of Re.1 each, comprising 16.38% of total Equity Share Capital of the Company. He also holds 31,28,400, 0.5% Cumulative Non-Convertible & Non-Participating Redeemable Preference Shares of Rs.10 each comprising 19.38% of total Preference Share Capital of the Company.

iv. Mr. Ankesh Jain

Age: 33 Years

Qualification: B.Sc. in Pharmaceutical Management from University of Bradford, U.K.

Professional Expertise: Mr. Ankesh Jain has an experience of around 11 years' in the pharmaceutical industry. He was appointed as a Whole-time Director designated as Director Sales & Marketing of the Company w.e.f. April 01, 2016. He oversees the sales and marketing, clinical data management, drug regulatory, quality assurance and project management in Pharmaceutical Development and is also actively involved in international Business Development for the Company. Prior to his current role, he has led the Domestic Formulations Business for the Company. As part of the career growth & keeping in view future challenges, he has attended several training programs including a training programme at IIM Ahmedabad for "Young Entrepreneurs".

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

Directorships: He is director of Panacea Biotec Pharma Limited and Adveta Power Private Limited.

Committee Membership / Chairmanship: He is a Member of Committee of Directors of Panacea Biotec Pharma Limited. Further, he does not hold Committee Membership / Chairmanship in any other company.

Shareholding in the Company: Nil

3. Audit Committee

a) Composition: The composition of the Audit Committee of the Board of Directors of the Company meets the requirements of Section 177 of the Act and Regulation 18 of SEBI LODR Regulations. The composition of the Audit Committee during the year under review was as under:

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

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

The management is responsible for the Company's internal controls and the financial reporting process, while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

b) Terms of Reference: The terms of reference and scope of the Audit Committee, inter-alia, include the following:

- To oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend to the Board, the appointment / re-appointment, remuneration and terms of appointment of auditors;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the

Board's Report in terms of Section 134(3)(c) of the Act;

- Any changes in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosures of any related party transactions; and
- Qualifications / Modified opinion(s) in the draft audit reports.

• Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

• Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if any, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

• Approval of, or any subsequent modification of, transactions of the Company with related parties;

• Scrutiny of inter-corporate loans and investments;

• Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments;

• Evaluation of valuation of undertakings or assets of the Company, wherever it is necessary;

• To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

• Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process;

• Evaluation of internal financial controls and risk management systems;

• Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems;

• Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

• Discussions with internal auditors of any significant findings and follow up thereon;

• Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

• Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;

• To review the functioning of the Whistle Blower Mechanism;

• Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

• To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

• To carry out any other function as is mentioned in the terms of reference of the Audit Committee;

• To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c) Review of information by Audit Committee: Apart from other matters, as per Regulation 18(3) of SEBI LODR Regulations, the Audit Committee reviews, to the extent applicable, the following information:

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

• Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;

• Management letters / letters of internal control weaknesses, if any, issued by statutory auditors;

• Internal Audit Reports relating to internal control weaknesses;

• Appointment, removal and terms of remuneration of the internal auditors; and

• Statement of Deviations, if applicable:

i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of SEBI LODR Regulations.

ii) Annual statements of funds utilized for purposes other than those stated in the offer documents / prospectus / notice, if applicable, in terms of Regulation 32(7) of SEBI LODR Regulations.

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The Audit Committee is also vested with the following powers:

- To investigate into any matter in relation to the items specified in Section 177 of the Act or referred to it by the Board and for this purpose, the Audit Committee has full access to the information contained in the records of the Company and also has power to obtain external professional advice, if necessary;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

d) Meetings of Audit Committee and attendance of members: During the financial year 2020-21, four (4) meetings of the Audit Committee were held on June 29, 2020, September 03, 2020, November 11, 2020 and February 12, 2021. The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held	Attended
1	Mr. R. L. Narasimhan	4	4
2	Mr. K. M. Lal	4	4
3	Mr. N. N. Khamitkar	4	4

The Audit Committee meets at least four times in a year, with a maximum time gap of 120 days between any two meetings.

The Statutory Auditors, Internal Auditors, Joint Managing Director, Associate Director - Finance & Corporate Affairs, Chief Financial Officer and D.G.M. Audit & Compliance & Coordinator of Audit Committee are the permanent invitees to the meetings of Audit Committee and provide such information and clarifications as required by the Audit Committee, which provides a deeper insight into the respective business and functional areas of operations. Apart from them, other officials of the Company attended one or more of the Audit Committee Meetings during the year under review.

The Cost Auditors also attend the Audit Committee Meeting, where cost audit report is discussed.

The Company Secretary of the Company is acting as the Secretary to the Audit Committee.

The Chairman of the Audit Committee, Mr. R. L. Narasimhan was present at the last AGM of the Company held on December 24, 2020.

4. Nomination and Remuneration Committee

a) Composition: The composition of Nomination and Remuneration Committee of the Board of Directors of the Company meets the requirements of Section 178 of the Act and Regulation 19 of SEBI LODR Regulations. The composition of the Committee during the year under review was as under:

S. No.	Name	Position	Category
1	Mr. R. L. Narasimhan	Chairman	Independent Director
2	Mr. K. M. Lal	Member	Independent Director
3	Mr. N. N. Khamitkar	Member	Independent Director
4	Mr. Shantanu Yeshwant Nalavadi	Member	Nominee Director

The Committee comprises of non-executive directors with majority of independent directors. The Chairman of the Committee is an independent director.

b) Terms of Reference: The terms of reference of the Nomination and Remuneration Committee, inter-alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c) Meeting of Nomination and Remuneration Committee and attendance of members: During the financial year 2020-21, one (1) meeting of the Nomination and Remuneration Committee was held on November 11, 2020. The attendance of members of the Nomination and Remuneration Committee at this meeting was as follows:

S. No.	Name	No. of Meetings	
		Held	Attended
1	Mr. R. L. Narasimhan	1	1
2	Mr. K. M. Lal	1	1
3	Mr. N. N. Khamitkar	1	1
4	Mr. Shantanu Yeshwant Nalavadi	1	0

The Company Secretary of the Company is acting as the Secretary to the Nomination and Remuneration Committee.

The Chairman of the Committee, Mr. R. L. Narasimhan was present at the last AGM of the Company held on December 24, 2020.

d) Performance Evaluation Criteria for Independent Directors: One of the key function of the Board is to monitor and review the Board evaluation framework. In view of the same and pursuant to the applicable provisions of the Act & the SEBI LODR Regulations, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees, executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

A structured questionnaire is in place covering various aspects of the functioning of the Board and its Committees, such as adequacy of the constitution & composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meetings, Board's focus, regulatory compliances and corporate governance, compliance with code of conduct etc. Similarly, for evaluation of individual director's performance, the questionnaire covers various aspects like his / her profile, attendance, effective participation / contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Board members had submitted their response on a scale of 1 (outstanding) to 5 (poor) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members including Chairman of the Board.

The independent directors had met separately without the presence of non-independent directors and discussed, inter-alia, the performance of non-independent directors, Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and non-executive directors.

The Nomination and Remuneration Committee has also carried out evaluation of each director's performance.

The performance evaluation of the independent directors has been done by the entire Board, excluding the director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

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

The key components of the Company's remuneration policy are:

- Compensation will be based on credentials and the major driver of performance;
- Compensation will be competitive and benchmarked with a selected group of companies from the pharmaceutical sector; and
- Compensation will be fully transparent and tax compliant.

The details of Remuneration policy are available on the Company's website at the link viz. https://www.panaceabiotec.com/statutory-policies.

5. Remuneration of Directors

Remuneration of the executive directors consists of basic salary, perquisites and variable portion in the form of commission on profits in the case of Chairman, Managing Director & Joint Managing Director, as approved by the Board of Directors and shareholders of the Company within the limits prescribed in Schedule V to the Act. The Nomination and Remuneration Committee recommends to the Board the compensation package of the executive directors.

a) Remuneration to Executive Directors: The details of remuneration paid to Chairman / Managing / Joint Managing / Whole-time Directors during the financial year 2020-21 are as under:

(Rs. in million)

S. No.	Name	Designation	Salary	Allowances/ Perquisites	Gratuity & Leave Encashment	Total
1.	Mr. Soshil Kumar Jain	Chairman	9.60	1.60	-	11.20
2.	Dr. Rajesh Jain	Managing Director	6.00	1.42	-	7.42
3.	Mr. Sandeep Jain	Joint Managing Director	5.52	1.43	-	6.95
4.	Mrs. Sunanda Jain[1]	Whole-time Director	2.49	0.30	1.02	3.81
5.	Mr. Sumit Jain[1]	Director Operations & Projects	1.87	0.30	2.75	4.92
6.	Mr. Ankesh Jain	Director Sales & Marketing	1.80	0.83	-	2.63

Notes:

1. Ceased to be Whole-time Director of the Company from close of business hours on 07.10.2020.
2. The tenure of office of Chairman / Managing / Joint Managing / Whole-time Directors is for three (3) years from their respective date of appointments and can be terminated by either party by giving three months' notice in writing or a shorter period as decided mutually. No severance fee is payable on termination of contract.

3. The Company has an Employees' Stock Option Scheme which was approved by its shareholders through Postal Ballot on 17.07.2020. However, further steps are yet to be taken pursuant to such Scheme.
4. All elements of remuneration of the Chairman / Managing / Joint Managing / Whole-time Directors, i.e., salary, perquisites and other benefits, etc. are given in Note 45 B to the Financial Statements of the Company.
5. The above excludes the provision for gratuity and leave encashment, as the same is calculated on overall company basis.

b) Remuneration to Non-Executive Independent Directors: The non-executive independent directors are being paid only the sitting fees for attending the meetings of the Board or Committees of the Board of Directors, of such sum as may be approved by the Board of Directors within the overall limits as prescribed under the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of sitting fees paid to the non-executive independent directors during financial year 2020-21 are as under:

(Rs. in million)

S. No.	Name	Sitting Fees
1	Mr. Ashwini Luthra*	0.25
2	Mr. Bhupinder Singh	0.25
3	Mr. K. M. Lal	0.32
4	Mrs. Manjula Upadhyay	0.20
5	Mr. Mukul Gupta	0.25
6	Mr. N. N. Khamitkar	0.30
7	Mr. R. L. Narasimhan	0.31

* Ceased to be director of the Company w.e.f. 11.07.2021 due to his sad demise.

The non-executive director gets reimbursement of the expenses incurred by him / her for attending the meeting of the Board and / or Committee thereof.

There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors except those disclosed in the Financial Statements for the financial year ended on March 31, 2021.

None of the non-executive directors holds any shares of the Company.

6. Stakeholders' Relationship Committee

a) Composition: The composition of Stakeholders' Relationship Committee of the Board of Directors of the Company meets the requirements of Section 178 of the Act and Regulation 20 of SEBI LODR Regulations.

The composition of the Committee during the year under review was as under:

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

b) Role & Terms of Reference: The Stakeholders' Relationship Committee plays an important role in acting as a link between the management and ultimate owners of the Company i.e., the shareholders. The Committee looks after the redressal of investors' grievances and performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

The terms of reference of the Stakeholders' Relationship Committee, inter-alia, includes the following:

- Approve issue of duplicate shares / debentures certificates;
- Oversee the performance of the Company's Registrar and Transfer Agent;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
- Consider, resolve and monitor various aspects of interest of shareholders, debenture holders and other security holders including the redressal of the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review measures taken for effective exercise of voting rights by shareholders;
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Transfer Agent and recommend methods to upgrade the service standards adopted by the Company;
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company; and
- Carry out any other matter relating to securities of the Company, any other areas of investors' service and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Other Terms:

- The Company may delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- The Committee may invite other directors / officers of the Company to attend the meetings of the Committee as invitees from time to time as and when required.

The Chairman or in his absence any other member of Committee authorised by him, attends the general meeting of the shareholders of the Company.

Report on Corporate Governance

c) Meetings of Stakeholders' Relationship Committee and attendance of members: During the financial year 2020-21, four (4) meetings of Stakeholders' Relationship Committee were held on June 29, 2020, September 03, 2020, November 11, 2020 and February 12, 2021. The attendance of members of the Stakeholders' Relationship Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held	Attended
1	Mr. K. M. Lal	4	4
2	Mr. R. L. Narasimhan	4	3
3	Mr. Sandeep Jain	4	4

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

Compliance Officer: Mr. Vinod Goel, Group CFO and Head Legal & Company Secretary is the Compliance Officer of the Company pursuant to Regulation 6(1) of SEBI LODR Regulations and is duly assisted by qualified company secretaries.

The Chairman of the Committee, Mr. K. M. Lal was not present at the AGM of the Company held on December 24, 2020 and in his absence other member of the Committee viz. Mr. Sandeep Jain, authorized by him, attended the AGM. The other member of the Committee, viz. Mr. R. L. Narasimhan also attended the AGM.

d) Stakeholders' Grievance Redressal: The details of Investors' complaints received and resolved during the financial year 2020-21 are as under:

No. of Investor Complaints			
Pending as at April 01, 2020	Received from April 01, 2020 to March 31, 2021	Resolved from April 01, 2020 to March 31, 2021	Pending as at March 31, 2021
NIL	2	2	NIL

The Company put utmost priority to the satisfaction of its shareholders. The Company maintains continuous interaction with its Registrar and Transfer Agent ("RTA") viz. Skyline Financial Services Pvt. Ltd. and takes proactive steps and actions for resolving shareholder complaints / queries. The Company addresses all complaints, suggestions and grievances expeditiously and suitable replies have been sent / issues have been resolved expeditiously, except in case of dispute over facts or other legal constraints. There were no shares transfers lying pending as on March 31, 2021.

7. Risk Management Committee

(a) Composition: Pursuant to recent amendment dated May 05, 2021 in Regulation 21 of the SEBI LODR Regulations, the Board has, in its meeting held on July 23, 2021, constituted the Risk Management Committee comprising of the Directors / Officers of the Company as members of the Committee.

The composition of the Committee is as under:

S. No.	Name	Position	Category
1.	Dr. Rajesh Jain	Chairman	Managing Director
2.	Mr. Sandeep Jain	Member	Joint Managing Director
3.	Mr. K. M. Lal	Member	Independent Director
4.	Mr. Rajneesh Chatrath	Member	Vice President - Corporate Quality Assurance
5.	Mr. Devender Gupta	Member	Chief Financial Officer and Head Information Technology

(b) Role & Terms of Reference: The Risk Management Committee will play an important role to oversee the risk management framework which encompass risk identification, its likely impact on the Company and mitigation plan for the same. The terms of reference of the Risk Management Committee, inter-alia, includes the following:

- Formulation of a detailed risk management policy which shall include:
  a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  c) Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy including evaluating the adequacy of risk management systems;
- Reviewing periodically the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- Coordinating its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the board of directors.
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Report on Corporate Governance

8. General Body Meetings

a) Annual General Meetings: During the preceding three years, the Company's Annual General Meetings were conducted / deemed to be conducted at the Registered Office of the Company situated at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The date and time of the last three Annual General Meetings and the special resolutions passed thereat with requisite majority are as under:

Financial Year	Date	Time	Special Resolution(s) passed
2019-20	24.12.20*	11:30 A.M.	• Re-appointment of Mr. Soshil Kumar Jain as director, liable to retire by rotation. • Re-appointment of Mr. Mukul Gupta as an Independent Director.
2018-19	30.09.19	11:30 A.M.	• Re-appointment of Mrs. Manjula Upadhyay as an Independent Director. • Revision in the limits of Financial Indebtedness.
2017-18	29.09.18	11:30 A.M.	• Re-appointment of Mr. Soshil Kumar Jain as Whole-time Director designated as Chairman. • Re-appointment of Dr. Rajesh Jain as Managing Director. • Re-appointment of Mr. Sandeep Jain as Joint Managing Director. • Appointment of Mrs. Sunanda Jain as Whole-time Director. • Re-appointment of Mr. Sumit Jain as Whole-time Director designated as Director Operations & Projects. • Re-appointment of Mr. Ankesh Jain as Whole-time Director designated as Director Sales & Marketing. • Re-appointment of Mr. Raghava Lakshmi Narasimhan as an Independent Director. • Re-appointment of Mr. Namdeo Narayan Khamitkar as an Independent Director. • Re-appointment of Mr. Krishna Murari Lal as an Independent Director.

* Held through Video Conferencing / Other Audio-Visual Means

b) Extraordinary General Meeting: No Extraordinary General Meeting was conducted during the year under review. During the current year, an Extraordinary General Meeting was conducted / or deemed to be conducted at the Registered Office of the Company situated at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The date and time of the Extraordinary General Meeting and the special resolutions passed thereat with requisite majority are as under:

Financial Year	Date	Time	Special Resolution(s) passed
2021-22	25.06.2021*	11:30 A.M.	• Raising of funds by way of issue of equity shares and / or other securities. • Continuation of directorship of Mr. Ashwini Luthra as Non-Executive Independent Director.

* Held through Video Conferencing / Other Audio-Visual Means

c) Postal Ballot: During the year under review, the Company had passed following special resolutions with requisite majority on July 17, 2020 through Postal Ballot, result of which was declared on July 18, 2020:

Special Resolution(s) passed	Votes casted in favour		Votes casted against	
	No. of votes	%	No. of votes	%
• Authority to make investments in the proposed Joint Venture Company	6,68,90,359	100.0000%	26	0.0000%
• Approval of 'Panacea Biotec Limited - Employee Stock Option Plan 2020'	6,68,90,063	99.9996%	272	0.0004%
• Approval of grant of employee stock options to the employees of the subsidiary company of the Company under Panacea Biotec Limited-Employee Stock Option Plan 2020	6,68,89,791	99.9992%	544	0.0008%

Person conducting the postal ballot exercise:

Dr. Rajesh Jain, Managing Director, Mr. Sandeep Jain, Joint Managing Director, Mr. Sunil Anand, Associate Director Finance and Mr. Vinod Goel, Group CFO and Head Legal & Company Secretary of the Company were appointed as persons responsible for conducting postal ballot process in a fair and transparent manner.

Mr. Debabrata Debnath of M/s R&D Company Secretaries, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot process, through remote e-voting, in a fair and transparent manner.

Procedure followed by the Company for conducting the Postal Ballot: In compliance with Regulation 44 of SEBI LODR Regulations and provisions of Sections 108 and 110 and other applicable provisions of the Act, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), as amended from time to time and in accordance with the General Circulars issued by the Ministry of Corporate Affairs ("MCA") vide Nos. 14/2020, 17/2020 and 22/2020 dated April 08, 2020, April 13, 2020 and June 15, 2020, respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" issued by MCA ("MCA Circulars"), the Company extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form.

Further, in compliance with the requirements of the MCA Circulars, physical copy of the Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope was not sent to the shareholders for this Postal Ballot and the shareholders were required to communicate their assent or dissent through the remote e-voting system only.

The Company sent the Postal Ballot Notice only by email to all its shareholders who have registered their email addresses with the Company or depository participants and the communication of assent / dissent of the members took place through the remote e-voting system. As required by Rule 20 and Rule 22 of the Rules read with the MCA Circulars and the SEBI LODR Regulations, the details pertaining to the Postal Ballot were published in one English national daily newspaper and one daily newspaper circulating in Lalru, Chandigarh (in vernacular language, i.e. Punjabi).

The Company availed the services of National Securities Depository Limited ("NSDL") for the purpose of providing remote e-voting facility to all its members.

The Members desiring to exercise their votes were requested to vote by electronic mode before close of working hours on the last date of remote e-voting i.e. 05:00 p.m. IST on Friday, July 17, 2020.

The scrutinizer submitted his report to the Chairman, after the completion of scrutiny. The results of the voting by postal ballot (through remote e-voting) were then announced by the authorized officer. The results were also displayed on the website of the Company, https://www.panaceabiotec.com besides being communicated to the stock exchanges where the Equity Shares of the Company are listed, NSDL and Registrar and Transfer Agent. The last date specified for remote e-voting was deemed to be the date of passing of the resolutions.

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

Participation and voting at the 37th Annual General Meeting ("AGM"): Pursuant to the General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, respectively, issued by MCA and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021, respectively, issued by the Securities and Exchange Board of India ("SEBI Circulars"), the 37th AGM of the Company will be held through **Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")** and the detailed instructions for participation and voting at the meeting is available in the Notice of the 37th AGM of the Company.

9. Means of communication

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of any disclosure, results etc. and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly or to the Company's Registrar and Transfer Agent throughout the year. Some of the modes of communication are mentioned below:

a) Results: The Quarterly / Half-Yearly / Annual results are published in the prominent daily newspapers, viz. Business Standard, New Delhi and Mumbai editions and in Desh Sewak, Chandigarh edition, the local newspaper published in the language of the region in which Registered Office is situated.

b) Intimation to the Stock Exchanges: The Company also intimates / made disclosures to the Stock Exchanges about all price sensitive matters or such matters which, in its opinion, are material & of relevance to the shareholders and subsequently issues a press release on the matter, wherever necessary. The Company also regularly provides information to the Stock Exchanges as per the requirements of the SEBI LODR Regulations.

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

d) Annual Reports: The Annual Report containing, inter-alia, Audited Financial Statements (Standalone as well as Consolidated), Directors' Report, Auditors' Report and other important information is sent to every shareholder of the Company and others entitled thereto by post/ email. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company under the link https://www.panaceabiotec.com/annual-reports-pbl.

e) Website: The Company's website viz. https://www.panaceabiotec.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available and the said section is being regularly updated with the financial results, annual reports, official news releases and other important events.

f) Presentations to Institutional Investors/analysts: No presentations on Financial Results are made to the Institutional Investors or to the analysts.

g) SEBI Complaints Redressal System (SCORES): The investor complaints are processed by SEBI in a centralized web-based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

h) NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre): NEAPS and BSE Listing Centre are web based application systems for enabling corporates to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc. All filings made by the Company with the Stock Exchanges are done through NEAPS and BSE Listing Centre.

i) Designated Exclusive email-id: The Company has designated the following email-id for investor servicing: investorgrievances@panaceabiotec.com. Investors can also mail their queries to Registrar and Transfer Agent at admin@skylinerta.com or virenr@skylinerta.com.

10. General Information for Shareholders

a) Company Registration Details: The Company is registered in the State of Punjab, India. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs is L33117PB1984PLC022350.

b) Date of AGM: The 37th AGM is to be held on Saturday, the 25th day of September 2021, at 11:30 A.M. through Video Conferencing / Other Audio Visual Means.

Remote e-voting Period	From Wednesday, September, 22, 2021 (09:00 A.M.) to Friday, September 24, 2021 (05:00 P.M.)

c) Financial Year: The financial year of the Company covers the period from April 01 to March 31.

d) Financial Calendar 2021-22:

S. No.	Tentative Schedule	Actual or Tentative Date (on or before as the case may be)
1.	Financial reporting for the quarter ending June 30, 2021	July 23, 2021 (Actual)
2.	Financial reporting for the quarter ending September 30, 2021	November 14, 2021
3.	Financial reporting for the quarter ending December 31, 2021	February 14, 2022
4.	Financial reporting for the quarter ending March 31, 2022	May 30, 2022
5.	Annual General Meeting for the year ending March 31, 2022	On or before September 30, 2022

e) Date of Book Closure: The Share Transfer Books and Register of Members of the Company will remain closed from Saturday, September 18, 2021 to Saturday, September 25, 2021 (both days inclusive) for the purpose of AGM.

f) Dividend Payment Date: In view of losses during the financial year under review, the Board of Directors has not recommended any dividend on the Equity as well as Preference Shares of the Company.

Further, in terms of Regulation 43A of the SEBI LODR Regulations, the Board in its meeting held on July 23, 2021, has adopted the Dividend Distribution Policy with an objective to broadly specify the circumstances under which the shareholders of the Company may or may not expect dividend and the external and internal factors including financial parameters that shall be considered by Board of Directors of the Company while declaring dividend and how the retained earnings shall be utilized, in the interest of providing transparency to the shareholders. The said policy is available on the Company's Website at the link: https://www.panaceabiotec.com/statutory-policies.

g) Transfer of Unpaid / Unclaimed Dividends and Shares to Investor Education and Protection Fund (IEPF): Pursuant to the provisions of Section 124 of the Act read with Rules made thereunder, as amended from time to time, declared dividends which remained unpaid or unclaimed by the shareholders for a period of seven consecutive years or more is required to be transferred by the Company to the IEPF, which has been established by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year 2010-11 have been transferred to the IEPF.

Further, pursuant to the provisions of Section 124(6) of the Act read with Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend has not been claimed by the concerned shareholders for seven consecutive years or more shall be transferred by the Company into the Demat Account of IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial year 2010-11 and remained unclaimed for a continuous period of seven years have been transferred to the Demat Account of IEPF Authority.

The details of the shares transferred and held by IEPF Authority as on March 31, 2021 are as under:

S. No.	Particulars	No. of shares
1.	No. of shares transferred during the financial year 2017-18	72,879
2.	No. of shares transferred during the financial year 2018-19	42,414
3.	Total shares transferred	1,15,293
4.	Less: Shares transferred back to the Shareholders by the IEPF Authority	2,035
5.	Aggregate shares held by IEPF Authority	1,13,258

The details of such persons whose shares have been so transferred to the IEPF is available on the Company's website https://www.panaceabiotec.com.

Any person, whose shares and unpaid / unclaimed dividends get transferred to the IEPF may claim the shares and unpaid / unclaimed dividends from the IEPF in accordance with such procedure and on submission of such documents as prescribed.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

As on the date of this report, 4 shareholders holding 6,125 equity shares have lodged claims with the Company and the same are under process.

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

- The National Stock Exchange of India Limited, Bandra Kurla Complex, Bandra (E), Mumbai-400051 ("NSE").
- BSE Limited, PJ Tower, Dalal Street, Fort, Mumbai-400001 ("BSE").

The Company's Preference Shares are not listed on any Stock Exchange.

The Company has paid listing fees for the financial year 2021-22 to both the above stock exchanges and there is no outstanding payment as on date.

i) Payment of Depository(ies) fees: The Company has paid Annual Custody / Issuer fee to both Depositories based on invoices received from the Depositories and there is no outstanding payment as on date.

j) Stock Code of Equity Shares:

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

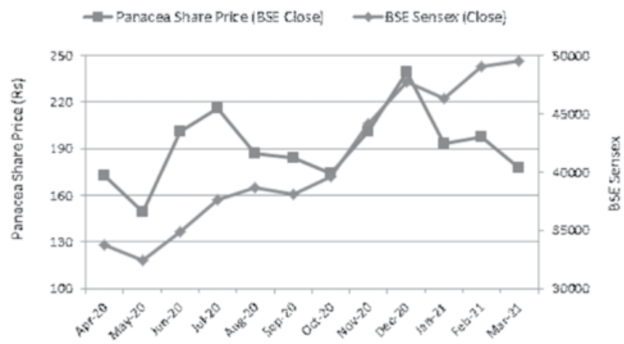
k) Stock Code of Preference Shares:

- ISIN No. for Dematerialization is INE922B04019.

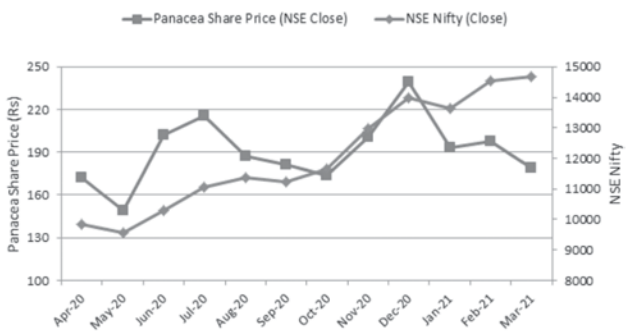
l) Market Price data: The Monthly High and Low prices of the shares of the Company at BSE and NSE during the year ended March 31, 2021 are as under:

Month	Share Price (Rs.) at BSE		Share Price (Rs.) at NSE	
	High	Low	High	Low
April, 2020	210.60	110.45	210.70	110.10
May, 2020	171.60	137.00	171.85	136.40
June, 2020	263.00	146.85	263.35	147.00
July, 2020	215.80	175.25	215.40	175.85
August, 2020	231.85	182.80	231.00	180.00
September, 2020	223.45	181.55	223.25	181.00
October, 2020	200.30	172.25	200.00	172.00
November, 2020	205.00	171.00	205.00	170.75
December, 2020	265.00	201.70	265.00	201.00
January, 2021	249.95	191.00	250.00	188.10
February, 2021	226.00	188.10	226.35	189.00
March, 2021	207.00	174.00	207.75	172.55

Share Performance of the Company in comparison to BSE Sensex



Share Performance of the Company in comparison to NSE Nifty



m) Share Price Performance in comparison to broad based indices - BSE Sensex & NSE NIFTY as on March 31, 2021:

Particulars	March 31, 2020	March 31, 2021	Changes in %
Panacea Biotec's Share Price (closing) at BSE	109.50	177.40	62.01%
BSE Sensex Closing Price	29,468.49	49,509.15	68.01%
Panacea Biotec's Share Price (closing) at NSE	109.25	178.90	63.75%
NIFTY Closing Price	8,597.75	14,690.70	70.87%

n) Registrar and Transfer Agent: Skyline Financial Services Pvt. Ltd. is acting as Registrar and Transfer Agent ("RTA") for handling the shares related matters, both in physical as well as dematerialized mode. All works relating to equity shares are being done by them. The Shareholders are, therefore, advised to send all their correspondence directly to the RTA. However, for the convenience of shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

o) Share Transfer System: SEBI has mandated that, effective from April 01, 2019, no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders

Report on Corporate Governance

encouraging them to dematerialise their holding in the Company. The communication, inter-alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In case of shares held in electronic form, the transfers are processed by National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") through respective Depository Participants.

The authority for transmission, transposition and dematerialisation of the Company's shares has been delegated to the Company Secretary and the RTA. The delegated authority generally attends the formalities on weekly basis & as and when required to expedite all such matters and redressal of Investors' grievance, etc., if any. The requests received by the Company / RTA for registration of transmission, transposition and dematerialization are processed by RTA (generally within a week of receipt) and transferred expeditiously and wherever applicable, the share certificate(s) are returned to the shareholder(s) by registered post. As per the requirement of Regulation 40(9) of SEBI LODR Regulations, the half-yearly certificates from a Company Secretary in Practice have been obtained for due compliance of share transfer formalities.

p) Nomination Facility: Pursuant to Section 72 of the Act, members are entitled to make a nomination in respect of shares held by them. The members holding shares in physical form and desirous of making a nomination are requested to send their requests in Form No. SH-13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, available on the Company's website at https://www.panaceabiotec.com/nomination-faqs or may write to the RTA of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant to avail the nomination facility.

q) Share Certificates in respect of sub-divided Shares: After the sub-division of the Company's Equity Shares of Rs.10 each into Equity Shares of Re.1 each, in the year 2003, the Company had sent several letters to all the shareholders holding shares of the face value of Rs.10 in physical form, requesting them to exchange their share certificate(s) into new share certificate(s) in respect of shares of face value of Re.1 each.

Members may kindly note that consequent to the sub-division of shares of the Company from Rs.10 to Re.1, the share certificates of the face value of Rs.10 have ceased to be valid for any purpose whatsoever.

Hence, all the shareholders who have not yet sent their request for exchange of share certificates are requested to immediately forward their old share certificate(s) in respect of shares of face value of Rs.10 each (which are no longer tradable) to the Company, along with a request letter duly signed by all the joint holders.

r) Elimination of Duplicate Mailing: The shareholders who are holding shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

s) Reconciliation of Share Capital Audit: The Company gets reconciliation of share capital audit done from Practicing Company Secretary in each quarter to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital. The audit reports confirm that the total issued / paid up capital is in agreement with the total number of equity shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Audit Reports for each quarter of the Financial Year 2020-21, have duly been filed with Stock Exchanges within one month of the end of the respective quarter.

t) Distribution of Shareholding as on March 31, 2021:

i) Equity Shares:

Category (Amount) From – To	Shareholders		Equity Shares held	
	Number	% of total no. of Shareholders	Number	% of Shareholding
Upto 5,000	27,050	99.35	54,54,947	8.91
5,001-10,000	97	0.36	6,85,532	1.12
10,001-20,000	35	0.13	4,94,933	0.81
20,001-30,000	14	0.05	3,38,529	0.55
30,001-40,000	7	0.02	2,45,286	0.40
40,001-50,000	2	0.01	1,00,000	0.16
50,001-1,00,000	7	0.02	4,93,886	0.81
1,00,001 and above	16	0.06	5,34,37,633	87.24
Total	27,228	100.00	6,12,50,746	100.00

ii) Preference Shares:

Category (Amount) From – To	Shareholders		Preference Shares held *	
	Number	% of total no. of Shareholders	Number	% of Shareholding
1,00,001 and above	3	100.00	1,61,37,000	100.00
Total	3	100.00	1,61,37,000	100.00

* Pursuant to the Scheme of Arrangement for demerger of real estate business of Panacea Biotec Limited with and into Ravinder Heights Limited ("RVHL") and their respective shareholders and creditors as approved by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated September 09, 2020, effective from the Effective Date of the Scheme, viz. September 10, 2020, the preference share capital of the Company stands reduced to Rs.16,13,70,000 divided into 1,61,37,000 Preference Shares of Rs.10 each fully paid-up and preference share capital to the extent of Rs.16,30,000 divided into 1,63,000 Preference Shares of Rs.10 each fully paid-up stands cancelled, extinguished and annulled, without any further act, instrument or deed, which is equivalent to the value of Preference Shares issued by RVHL.

u) Pattern of Shareholding as on March 31, 2021:

i) Equity Shares:

S. No.	Category	No. of Shares	% of Shareholding
1	Promoters and Promoter Group	4,50,74,866	73.59
2	Institutional Investors (FIIs, Banks & Mutual Funds)	7,79,657	1.27
3	NRIs / OCB / Foreign Corporate Bodies / Foreign Portfolio Investors	2,29,449	0.37
4	Domestic Companies	39,66,123	6.48
5	Indian Public / Trust / PMS / Others	1,12,00,651	18.29
	Total	6,12,50,746	100.00

ii) Preference Shares:

S. No.	Category	No. of Shares *	% of Shareholding
1	Promoters and Promoter Group	1,61,37,000	100.00
	Total	1,61,37,000	100.00

* Pursuant to the Scheme of Arrangement for demerger of real estate business of Panacea Biotec Limited with and into Ravinder Heights Limited ("RVHL") and their respective shareholders and creditors as approved by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its order dated September 09, 2020, effective from the Effective Date of the Scheme, viz. September 10, 2020, the preference share capital of the Company stands reduced to Rs.16,13,70,000 divided into 1,61,37,000 Preference Shares of Rs.10 each fully paid-up and preference share capital to the extent of Rs.16,30,000 divided into 1,63,000 Preference Shares of Rs.10 each fully paid-up stands cancelled, extinguished and annulled, without any further act, instrument or deed, which is equivalent to the value of Preference Shares issued by RVHL.

v) Share Dematerialization System: The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization of shares is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

w) Dematerialization of Shares and its liquidity: The Company has been among the few top most companies in India in which maximum number of shares have been dematerialized. As on March 31, 2021, 99.65% of the Company's total Equity Share Capital representing 6,10,38,495 Equity Shares were held in dematerialized form and only 2,12,251 Equity Shares were in physical form.

The shareholders holding shares in physical form are requested to contact any of the Depository Participants in their vicinity to get their shares dematerialized at the earliest, as the Company's shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

The Shares of the Company are regularly traded at the NSE and the BSE.

x) Disclosure of commodity price risks and commodity hedging activities: The Company's finished goods i.e. vaccines are normally not prone to commodity price risk. They are, in fact, subject to risk of the Government's intervention in domestic market and competitive scenario in international market. However, the Company's raw materials are subject to commodity price risks. The Company does not have any hedging activities for the same. The Company is a net foreign exchange earner and like other players in pharmaceutical sector, it faces foreign currency fluctuation risk. Looking at the future long term trend, the Company keeps its position generally open.

y) Plant Locations:

- Vaccines Formulations facility at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India
- Drug Substance for Vaccines facilities at Samalheri, Ambala-Chandigarh Highway, Lalru-140501, Dist. Mohali (S.A.S. Nagar), Punjab, India
- Pharmaceuticals Formulations and Oncology facilities at Village Malpur, Baddi, Dist. Solan, H.P.-173205, India (owned by Panacea Biotec Pharma Limited, Company's wholly-owned subsidiary)

Report on Corporate Governance

z) Address for correspondence:

For transfer/dematerialization of shares, payment of dividend and any other query relating to shares	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Indl. Area, Phase-I, New Delhi - 110020, India Phone : +91-11-40450193-97 Fax : +91-11-26812682 E-mail : admin@skylinerta.com, virenr@skylinerta.com
For investor's assistance	Company Secretary, Panacea Biotec Limited B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044, India Phone : +91-11-41679000 Extn. 2081, 41578024(D) Fax : +91-11-41679070 E-mail : companysec@panaceabiotec.com, investorgrievances@panaceabiotec.com Contact Person: Ms. Shikha Rastogi, Manager - Secretarial & Compliance
For query relating to financial matters	Chief Financial Officer, Panacea Biotec Limited B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044, India. Phone : +91-11-41679000 Extn. 2041, 41578055(D) Fax : +91-11-41679027 E-mail : amitsaraswat@panaceabiotec.com Contact Person: Mr. Amit Saraswat, AGM - Finance

aa) Credit Rating: During the year under review, the Company has not availed any new bank facility and has consequently not carried any credit rating.

11. Other Disclosures:

a) Related Party Transactions: The Company's major related party transactions are generally with its subsidiaries. All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI LODR Regulations during the financial year 2020-21 were in the ordinary course of business and on an arm's length basis.

The required statements / disclosures with respect to the related party transactions, if any, as prescribed in SEBI LODR Regulations, are placed before the Audit Committee on regular basis with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, external expert opinions are sought for Board consideration.

Further, during the year, there were no materially significant related party transactions with the Company's subsidiaries, promoters, directors or management, their relatives, etc., that may have potential conflict with the interests of the Company at large. The other related party transactions are given in Note No. 45 of the Notes to the Financial Statements for the year ended March 31, 2021 forming part of the Annual Report.

In accordance with Regulation 23 of SEBI LODR Regulations, a policy relating to dealing with Related Party Transactions has been formulated by the Company and available on the website of the Company & can be accessed through the link: https://www.panaceabiotec.com/statutory-policies. The Register of Contracts/ Statements of related party transactions are placed before the Board/ Audit Committee regularly.

b) Compliances by the Company: During the financial year 2018-19, BSE Limited imposed a fine amounting to Rs.5,900 for minor delay in filing of financial results for financial year ending March 31, 2018 which was subsequently waived off by BSE Limited vide its letter dated January 28, 2019. No other strictures or penalties have been imposed on the Company by either SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three years.

c) Vigil Mechanism: The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting instances of illegal or unethical behavior. The Company has a Vigil Mechanism and has implemented a Vigil Mechanism/ Whistle Blower Policy in the Company in pursuance of Regulation 22 of SEBI LODR Regulations and no personnel has been denied access to the Chairman of Audit Committee of the Company. A copy of Vigil Mechanism / Whistle Blower Policy is available on the website of the Company and can be accessed through the link: https://www.panaceabiotec.com/statutory-policies.

d) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): During the previous year, the Company had, on April 08, 2019, issued and allotted 71,11,111 convertible warrants ("Warrants") at a price of Rs.180 each in accordance to the provisions of SEBI (Issue of Capital and Disclosure Requirements), 2018 ("SEBI ICDR Regulations") and as amended thereto. The Company had fully utilized the funds received from the warrant holders of ~Rs.320 million (upfront amount equivalent to 25% of total consideration) as per the objects stated in the Explanatory Statement to the Notice of Extraordinary General Meeting, dated February 26, 2019, sent to the shareholders of the Company. There were no unutilized funds under the same as on March 31, 2020.

However, during the year under review, since the Warrant Holders did not exercise the conversion option within the exercise period, the Warrants stood cancelled / lapsed and the upfront amount of ~Rs.320 million as received by the Company from the Warrant Holders, towards allotment of the said Warrants was forfeited in accordance with the terms of the said Warrants and as per the provisions of Regulation 169(3) of Chapter V of SEBI ICDR Regulations.

e) Certification from Company Secretary in Practice: A certificate has been received from M/s. R&D Company Secretaries, Practising Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed as **Annexure - II** and forms part of this Report.

f) Subsidiary Companies: All subsidiary companies are Board managed with their Board of Directors having the rights and obligations to manage such companies in the best interest of their stakeholders. In terms of Regulation 16(1)(c) of SEBI LODR Regulations, the Board of Directors has adopted a policy with regard to determination of material subsidiaries. The policy is available on the website of the Company and can be accessed through the link: https://www.panaceabiotec.com/statutory-policies.

As on March 31, 2021, Panacea Biotec Pharma Limited (“PBPL”) was the only material non-listed Indian subsidiary of the Company. The Company’s independent director viz. Mr. K. M. Lal acted as an independent director on the Board of PBPL during the financial year 2020-21. During the current year, upon resignation of Mr. K. M. Lal from directorship of PBPL, Mrs. Manjula Upadhyay (one of the independent directors of the Company) has been appointed as an independent director on the Board of PBPL.

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

The minutes of Board meetings of Indian subsidiary companies are placed at the Board Meeting of the Company and the significant transactions or arrangements entered into by the unlisted subsidiary companies are periodically informed to the Board.

g) Disclosure of Accounting Treatment: The Company has prepared the financial statements for the year in compliance with the Indian Accounting Standards ("Ind-AS") notified by the Ministry of Corporate Affairs. The Significant Accounting Policies applied in preparation of the financial statements as per Ind AS have been set out in the Notes to financial statements.

h) Risk Management: The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Company has formulated a Risk Management Policy. The Board of Directors / Management periodically reviews the risk management framework of the Company and comes out with strategic risk mitigation measures.

i) Fees paid to the Statutory Auditors: Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company, i.e. M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Regn. No. 001076N/N500013) and other firms in the network entity of which the statutory auditors are a part, during the financial year 2020-21 was Rs.9.94 million.

j) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. No case has been reported during the year under review.

12. Compliance with mandatory requirements and adoption of non-mandatory requirements

a) Mandatory requirements: The Company has complied with all mandatory requirements of the SEBI LODR Regulations with regard to corporate governance. M/s. R&D Company Secretaries, have certified that the Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D & E of Schedule V of the SEBI LODR Regulations for the financial year ended March 31, 2021.

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

   i) Shareholders’ rights: The quarterly / half-yearly / annual financial results, after approval of the Board of Directors, are uploaded electronically on the website of NSE & BSE via NEAPS Portal and BSE Listing Centre respectively, published in the newspapers as mentioned under the heading “Means of Communication” at Sl. No. 9 above and also displayed on the Company’s website viz. https://www.panaceabiotec.com. The results are not separately circulated to the shareholders.

   ii) Modified opinion(s) in audit report: The Company is in the regime of unmodified audit opinion on financial statements.

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

   iv) Prohibition of Insider Trading: The Company has instituted a comprehensive Code of Conduct to regulate, monitor and report trading by designated persons and relevant business associates in the securities of the Company, in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 which is available on the website of the Company viz. https://www.panaceabiotec.com. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with the Shares of the Company.

Report on Corporate Governance

12. Disclosure of the compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI LODR Regulations:

Sl. No.	Regulation No.	Particulars	Compliance Status (Yes or No)
1.	17	Board of Directors	Yes
2.	18	Audit Committee	Yes
3.	19	Nomination and Remuneration Committee	Yes
4.	20	Stakeholders Relationship Committee	Yes
5.	21	Risk Management Committee	Yes
6.	22	Vigil Mechanism	Yes
7.	23	Related Party Transactions	Yes
8.	24	Corporate Governance requirements with respect to subsidiaries	Yes
9.	25	Obligations with respect to Independent Directors	Yes
10.	26	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	Yes
11.	27	Other Corporate Governance requirements	Yes
12.	46(2)(b) to (i)	Website	Yes

13. CEO/CFO Certification

The Managing Director and Chief Financial Officer have certified, in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI LODR Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certification on the Financial Statements, internal control and the Cash Flow Statement for the financial year 2020-21 is annexed as **Annexure - III** and forms part of this Report. The Managing Director and Chief Financial Officer also give quarterly certificate on the financial results while placing the same before the Board in terms of the Regulation 33(2) of the SEBI LODR Regulations.

For Panacea Biotec Limited

Place : New Delhi
Dated: July 23, 2021

Soshil Kumar Jain
Chairman

Annexure to the Report on Corporate Governance

Annexure - I

DECLARATION ON CODE OF CONDUCT

To
The Members of Panacea Biotec Ltd.

I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed the compliance with the provisions of the Code of Conduct for the financial year ended March 31, 2021.

For Panacea Biotec Limited

Place : New Delhi
Dated: July 23, 2021

Dr. Rajesh Jain
Managing Director

Annexure - II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para-C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Panacea Biotec Limited
Ambala-Chandigarh Highway, Lalru-140501, Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Panacea Biotec Limited having CIN L33117PB1984PLC022350 and registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Soshil Kumar Jain	00012812	02.02.1984
2.	Dr. Rajesh Jain	00013053	25.11.2006
3.	Mr. Sandeep Jain	00012973	15.11.1984
4.	Mr. Ankesh Jain	03556647	01.04.2016
5.	Mr. Ashwini Luthra*	05103137	18.10.2018
6.	Mr. Bhupinder Singh	00062754	08.04.2019
7.	Mr. Krishna Murari Lal	00016166	28.04.2006
8.	Mrs. Manjula Upadhyay	07137968	30.03.2015
9.	Mr. Mukul Gupta	00254597	01.04.2016
10.	Mr. Namdeo Narayan Khamitkar	00017154	31.01.2006
11.	Mr. Raghava Lakshmi Narasimhan	00073873	13.01.2001
12.	Mr. Shantanu Yeshwant Nalavadi	02104220	10.12.2019

* Ceased to be director w.e.f. 11.07.2021 due to his sad demise.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
Membership No.-FCS: 7775
C.P No.: 8612
UDIN: F007775C000762584
Peer Review Certificate no. 1403/2021

Place : Delhi
Dated: July 23, 2021

Annexure - III

CERTIFICATE FROM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

(Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Board of Directors,
Panacea Biotec Limited

We do hereby confirm and certify that:

a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2021 and that, to the best of our knowledge and belief:
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:
   i) significant changes in internal control over financial reporting during the year;
   ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii) there has not been any instance, during the year, of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Panacea Biotec Limited

Place : New Delhi
Dated : June 02, 2021

Devender Gupta
Chief Financial Officer &
Head Information Technology

Dr. Rajesh Jain
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Panacea Biotec Limited

We have examined the compliance of conditions of Corporate Governance by Panacea Biotec Limited, for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR Regulations during the year ended on 31st March, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R&D Company Secretaries

Debabrata Deb Nath
Partner
Membership No.-FCS: 7775
C.P No.: 8612
UDIN: F007775C000734798
Peer Review Certificate no. 1403/2021

Place : Delhi
Dated: July 23, 2021

Independent Auditors' Report

To the Members of Panacea Biotec Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Panacea Biotec Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	**How our audit addressed the key audit matter**
Revenue recognition Refer note 1.3(l) and note 28 of Notes to the standalone financial statements and other explanatory information of the Company for the year ended 31 March 2021. The Company recognises revenue from the sales of products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. The Company has a large number of customers operating in various geographies and the sales contracts / arrangements with various customers have distinct commercial terms, including Incoterms that determine the timing of transfer of control and require judgment in determining timing of revenue recognition as per Ind AS 115, Revenue from Contracts with Customers. We have identified the recognition of revenue from sale of products as a key audit matter because revenue is a key performance indicator for the Company and there is risk of revenue being overstated due to the pressure to achieve targets or earning expectations.	Our audit procedures in relation to the recognition of revenue included, but were not limited to, the following: • Obtained an understanding of the Company's process of revenue recognition and read customer contracts on sample basis; • Evaluated the design, tested the operating effectiveness of the Company's internal controls over recognition and measurement of revenue in accordance with underlying customer contracts and accounting policies; • Performed substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during and after the year and verified the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents; • Performed substantive analytical procedures during the audit period to identify any unusual trends warranting additional audit procedures; • Obtained direct balance confirmations from customers on a sample basis as at the year-end or performed alternate audit procedures where such confirmations could not be obtained; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements of the Company in accordance with the applicable accounting standards.

Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
Evaluation of Going concern basis of accounting Refer note 53 to the accompanying standalone financial statements. The Company has incurred loss before tax amounting to Rs. 128.52 million for the year ended 31 March 2021 from continuing operations. Further, the Company's subsidiary, Panacea Biotech Pharma Limited (PBPL), has not paid non-convertible debentures of Series- 1A which was due on 7 April 2020 and an extension has been provided by the debenture holder subsequent to the year ended 31 March 2021. The Company is a guarantor of the non-convertible debentures of the subsidiary pursuant to the debenture trustee agreement. As mentioned in aforesaid Note 53 the Company has taken the following mitigating factors in its assessment of going concern basis of accounting: • Collaborating with Russian Direct Investment Funds ('RDIF'), Russia's sovereign wealth fund for producing Covid-19 vaccine Sputnik-V/Sputnik Light; • Raising of additional funds; • Monetization of non-core assets; • Increased operational measures towards vaccine and pharmaceutical formulation business segment; and • Advanced discussions with the debenture holders for further extension of the maturity date of debentures. Management has prepared a cash flow forecast for next twelve months which requires the exercise of significant management judgment and estimations in assessing the key variables, particularly in relation to the specific forecasts of the Company's revenue, operating and capital expenditure including the Company's plan to honour the principal repayment of debentures issued by PBPL. The Company has performed a sensitivity analysis of the key assumptions used therein to assess whether the Company would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least next twelve months from the end of the current reporting date and concluded that the going concern basis of accounting used for the preparation of accompanying standalone financial statements is appropriate with no material uncertainties. We have considered the assessment of Company's ability to continue as a going concern as a key audit matter for the current year audit due to the pervasive impact thereof on the standalone financial statements and such assessment of Company's ability to continue as a going concern being dependent upon significant management judgments and assumptions in relation to future cash flows which are inherently subjective and dependent on future events.	Our audit procedures included, but were not limited to, the following in relation to the assessment of appropriateness of going concern basis of accounting: • Obtained an understanding of the management's process for identifying all the events or conditions that could impact the Company's ability to continue as a going concern and the process followed to assess the mitigating factors for such events or conditions. Also, obtained an understanding around the methodology adopted by the Company to assess their future business performance, prepare a robust cash flow forecast; • Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors and controls around cash flow forecast prepared by the management; • Obtained the cash flow forecast for next twelve months from the management and reconciled to the future business plan of the Company as approved by the Board of Directors; • In order to corroborate management's future business plans and to identify potential contradictory information, read the minutes of the Board of Directors and discussed the same with the management and Audit Committee; • Tested the appropriateness of key assumptions adopted by the management in preparation of the cash flow forecasts such as growth rates, new revenue contracts considered in such projections, expenditure on new products and tested the reasonableness of these assumptions used based on our knowledge and understanding of the business, actual historical results and external data as the case may be; • Performed detailed inquiries with the management on appropriateness of the assumptions used in the cash flow forecasts around new revenue contracts and the plan for commercial production for fulfilling such revenue contracts; • Obtained and read the debenture trust deed entered with respect to non-convertible debentures of PBPL including the extension provided during the current year and corroborated management's representation of further extension of maturity dates for the installments falling due in next 12 months; • Obtained the sensitivity analysis prepared by management and also performed independent sensitivity analysis to test the impact of variation on the cash flows due to change in key assumptions; and • Evaluated the appropriateness and adequacy of the going concern disclosures, in the standalone financial statements of the Company in accordance with the applicable reporting framework.

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) the standalone financial statements dealt with by this report are in agreement with the books of account;
    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 2 June 2021 as per Annexure B expressed unmodified opinion; and
    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. the Company, as detailed in note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Arun Tandon
Partner
Membership No.:517273
UDIN: 21517273AAAACH5619

Place: New Delhi
Date : 2 June, 2021

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;

(b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities.

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income tax Act, 1961	Demand u/s 154/250/153A/ 143(3) of Income tax Act, 1961	14.5	Assessment Year 2011-12	April 21, 2016	Not yet paid	The Company intends to settle the demand with refund of other years.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues:

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under Protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Disallowance in respect of certain purchases and expense items	162.22	-	Assessment Year 2005-06	Income Tax Appellate Tribunal (ITAT)
Income tax Act, 1961	Disallowance in respect of certain purchases and expense items	3,300.64	-	Assessment Year 2006-07 to 2009-10	Income Tax Appellate Tribunal (ITAT)
Customs Act, 1962	Duty levied on exempted goods	4.00	4.00	Financial Year 2001-02	Custom Excise & Service Tax Appellate Tribunal (CESTAT)
Delhi Value Added Tax Act, 2004	Disallowance of credit notes and non-submission of statutory forms	325.97	-	Financial Year 2016-17	VAT/ CST Officer Delhi

Annexure To the Auditors' Report

Name of the statute	Nature of dues	Amount (Rs. in million)	Amount paid under Protest (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh VAT Act, 2002	Disallowance of credit notes and non-submission of statutory forms	0.27	-	Financial Year 2016-17	VAT / CST Officer Indore
UP VAT Act, 2008	Disallowance of credit notes and non-submission of statutory forms	12.27	-	Financial Year 2014-15 to 2016-17	VAT / CST Officer Lucknow
Gujarat Value Added Tax Act, 2003	Disallowance of credit notes and non-submission of statutory forms	0.87	-	Financial Year 2015-16 and 2016-17	VAT / CST Officer Ahmedabad
Bihar VAT Act, 2005	Disallowance of credit notes and non-submission of statutory forms	3.27	-	Financial Year 2014-15	VAT / CST Officer Patna
Income tax Act, 1961	Disallowance on purchases made from related parties and payment of expenses made to related parties	33.69	-	Financial Year 2015-16	Dispute Resolution Panel (DRP)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

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

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

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

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

Arun Tandon
Partner
Membership No.: 517273
UDIN No.: 21517273AAAACH5619

Place : New Delhi
Date : 2 June, 2021

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Panacea Biotec Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Arun Tandon
Partner
Membership No.: 517273
UDIN No.: 21517273AAAACH5619

Place : New Delhi
Date : 2 June, 2021

Standalone Balance Sheet as at March 31, 2021

(Rs. in million)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	3,979.30	4,462.59
b) Capital work-in-progress	2.2	129.29	36.60
c) Investment property	2.3	658.08	519.87
d) Other intangible assets	2.4	5.13	10.29
e) Intangible assets under development	2.5	0.38	0.81
f) Financial assets			
(i) Investments	3	2.70	25.46
(ii) Loans	4	11.52	11.16
(iii) Other financial assets	5	42.69	8.51
g) Deferred tax assets (net)	6	-	14.45
h) Income tax assets	7	28.81	19.03
i) Other non-current assets	8	132.30	132.92
Total non-current assets		4,990.20	5,241.69
Current assets			
a) Inventories	9	870.37	992.26
b) Financial assets			
(i) Trade receivables	10	352.92	176.86
(ii) Cash and cash equivalents	11	86.56	149.15
(iii) Bank balances other than cash and cash equivalents	12	803.06	456.94
(iv) Loans	13	12.90	11.31
(v) Other financial assets	14	62.31	62.66
c) Other current assets	15	369.90	269.87
Total current assets		2,558.02	2,119.05
Assets classified as held for sale and discontinued operations	38	367.46	4,024.14
Total assets		7,915.68	11,384.88
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	61.25	61.25
b) Other equity	17	5,020.41	8,866.08
Total equity		5,081.66	8,927.33
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	18	620.81	604.33
(ii) Other financial liabilities	19	52.46	20.59
b) Provisions	20	123.65	125.63
c) Other non-current liabilities	21	29.06	33.47
Total non-current liabilities		825.98	784.02
Current liabilities			
a) Financial liabilities			
(i) Borrowings	22	-	35.68
(ii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		30.05	28.55
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,210.55	1,330.41
(iii) Other financial liabilities	24	47.01	56.80
b) Other current liabilities	25	663.22	180.13
c) Provisions	26	44.37	26.48
d) Current tax liabilities (net)	27	12.84	4.55
Total current liabilities		2,008.04	1,662.60
Liabilities directly associated with discontinued operations	38	-	10.93
Total equity and liabilities		7,915.68	11,384.88

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

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

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

Arun Tandon
Partner
Membership No. 517273

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in million)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	28	3,435.55	1,580.85
Other income	29	207.48	308.75
Total income		3,643.03	1,889.60
Expenses			
Cost of materials consumed	30	686.95	752.67
Purchases of traded goods	31	933.26	114.38
Changes in inventories of finished goods, traded goods and work-in-progress	32	142.40	(281.79)
Employee benefits expense	33	594.74	466.42
Finance costs	34	75.17	52.67
Depreciation and amortisation expense	35	265.71	269.05
Other expenses	36	1,073.32	1,151.48
Total expenses		3,771.55	2,524.88
Loss before exceptional items and tax		(128.52)	(635.28)
Exceptional items	37	-	(153.97)
Loss before tax		(128.52)	(789.25)
Tax expense	39		
Current tax		22.74	398.82
Deferred tax credit		(7.13)	(227.83)
Total tax expense		15.61	170.99
Loss for the year from continuing operations (A)		(144.13)	(960.24)
Loss before tax from discontinued operations	38	(0.28)	(570.46)
Tax expense of discontinued operations		-	-
Loss from discontinued operations (B)		(0.28)	(570.46)
Loss for the year (A+B)		(144.41)	(1,530.70)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit plans		20.94	18.89
Income tax effect on above		(7.13)	(6.60)
Other comprehensive income		13.81	12.29
Total comprehensive loss for the year		(130.60)	(1,518.41)
Loss per equity share from continuing operations (face value of Re. 1 each)	40		
- Basic and diluted (in Rs.)		(2.35)	(15.68)
Loss per equity share from discontinued operations (face value of Re. 1 each)			
- Basic and diluted (in Rs.)		(0.00)	(9.31)
Loss per equity share from continuing and discontinued operations (face value of Re. 1 each)			
- Basic and diluted (in Rs.)		(2.35)	(24.99)

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

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

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

Arun Tandon
Partner
Membership No. 517273

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Standalone Cash Flow Statement for the year ended March 31, 2021

(Rs. in million)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flow from operating activities**		
	Loss before tax from:		
	Continuing operations	(128.52)	(789.25)
	Discontinued operations	(0.28)	(570.46)
	Adjustments for:		
	Depreciation and amortisation expense	265.71	272.86
	Unrealized foreign exchange loss (net)	(1.20)	5.36
	Loss on sale of property, plant and equipment (net)	0.38	-
	Excess provisions/debt written back	(18.20)	(326.23)
	Excess managerial remuneration receivable written off	-	153.97
	Allowance for expected credit loss and doubtful advances	48.83	263.86
	Property, plant and equipments written off	39.97	290.52
	Bad debts and advances written off	0.15	-
	Interest income	(59.68)	(83.27)
	Surplus share from proceeds of investment in joint venture	(32.93)	-
	Finance costs	75.17	1,472.46
	Dividend income	-	(0.04)
	Operating profit before working capital changes	189.40	689.78
	Changes in working capital:		
	Inventories	121.89	(715.17)
	Trade receivables	(200.29)	(32.64)
	Other financial assets	0.35	(35.44)
	Loans	(1.97)	(14.84)
	Other current assets	(130.22)	(325.21)
	Trade payables	(97.47)	(518.32)
	Other financial liabilities	0.04	2.00
	Other current liabilities	473.86	188.42
	Provisions	36.85	11.86
	Cash generated from/(used in) operating activities	392.44	(749.56)
	Income tax (paid)	(9.78)	(78.99)
	Net cash generated from/(used in) operating activities (A)	382.66	(828.55)
B.	**Cash flow from investing activities**		
	Payment for property, plant and equipment and intangible assets	(145.39)	(23.20)
	Proceeds from sale of property, plant and equipment	38.05	161.05
	Proceeds from slump sale of pharma business	-	0.10
	Proceeds from investment in joint venture	55.88	-
	Interest received	32.24	47.65
	Dividend received	-	0.04
	Investment in shares of subsidiary	-	(0.20)
	Investments in bank deposits having original maturity of more than three months	(354.01)	(370.62)
	Net cash used in investing activities (B)	(373.23)	(185.18)
C.	**Cash flow from financing activities**		
	Proceeds from share warrants	-	320.00
	Proceeds from non-current borrowings	52.00	7,430.00
	Repayment of non-current borrowings	(43.46)	(5,608.57)
	Repayment of current borrowings(net)	(35.68)	(658.17)
	Interest paid	(44.88)	(389.33)
	Net cash (used in)/generated from financing activities (C)	(72.02)	1,093.93
Net (decrease)/Increase in cash and cash equivalents during the year (A+B+C)		(62.59)	80.20
Cash and cash equivalents at the beginning of the year		149.15	49.58
Changes in cash and cash equivalents pertaining to discontinued operations		-	19.37
Cash and cash equivalents at the end of the year (refer note 11)		86.56	149.15

Note: The Standalone Cash Flow Statement has been prepared in accordance with 'Indirect Method' as set out in the Ind AS - 7 on 'Statement of Cash Flows' as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

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

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

Arun Tandon
Partner
Membership No. 517273

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Standalone Statement of Change in Equity for the year ended March 31, 2021

A. Equity share capital (Rs. in million)

Particulars	Amount
Balance as at April 1, 2019	61.25
Changes during the year	-
Balance as at March 31, 2020	61.25
Change during the year	-
Closing balance as at March 31, 2021	61.25

(Refer note 16)

B. Other equity
(Also refer note 17) (Rs. in million)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Share Warrants	Total
		Securities premium	Capital redemption reserve	General reserve	Capital Reserve	Retained earnings		
Balance as at April 1, 2019	96.39	897.05	1,022.34	364.99	-	1,742.70	-	4,123.47
Loss for the year	-	-	-	-	-	(1,530.70)	-	(1,530.70)
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	12.29	-	12.29
Total comprehensive loss for the year	-	-	-	-	-	(1,518.41)	-	(1,518.41)
Issued during the year	-	-	-	-	-	-	320.00	320.00
Adjustment on account of slump sale (refer note 38)	-	-	-	-	5,862.02	-	-	5,862.02
Adjustment on account of change in terms of preference shares	121.54	-	-	-	-	(42.54)	-	79.00
Balance as at March 31, 2020	217.93	897.05	1,022.34	364.99	5,862.02	181.75	320.00	8,866.08
Loss for the year	-	-	-	-	-	(144.41)	-	(144.41)
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	13.81	-	13.81
Total comprehensive loss for the year	-	-	-	-	-	(130.60)	-	(130.60)
Transfer to general reserve	-	-	-	320.00	-	-	(320.00)	-
Adjustment on account of demerger of real estate business (refer note 38)	(1.39)	-	-	-	(3,713.68)	-	-	(3,715.07)
Balance as at March 31, 2021	216.54	897.05	1,022.34	684.99	2,148.34	51.15	-	5,020.41

The accompanying notes form an integral part of these standalone financial statements.

As per report of even date attached

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

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

Arun Tandon
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Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Summary of Significant Accounting Policies for the year ended March 31, 2021

1. Company information

Panacea Biotec Limited (Corporate identification number: L33117PB1984PLC022350) ('PBL' or the 'Company') is a public company incorporated and domiciled in India. The Company has its registered office and place of business at Ambala-Chandigarh Highway Lalru-140501, Punjab, India. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed with BSE Limited and National Stock Exchange of India Limited.

Company overview

The Company is one of India's leading research-based biotechnology companies engaged in the business of research, development, manufacture and marketing of vaccines in India and international markets. The Company's wholly owned subsidiary company viz. Panacea Biotec Pharma Ltd. is engaged in the business of research, development, manufacture and marketing of branded pharmaceutical formulations in India and international markets.

1.1 Basis of preparation

a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2021. These standalone financial statements were authorized for issuance by the Board of Directors of the Company, along with these financial statements. The Board of Directors can permit revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

b. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

1.2 Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4.

1.3 Significant accounting policies

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the standalone financial statements.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b. Inventories

Inventories are valued as follows:

Raw material, stores and spares

Raw materials (including packing materials), stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Traded goods

Traded goods are valued at lower of cost or net realisable value. Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c. Property, plant and equipment

Recognition and initial measurement

All items of property, plant and equipment are initially measured at cost. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under non-current assets.

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method arrived on the basis of the useful life prescribed under Schedule II of the Act. The following useful life of assets has been determined by the Company:

Particulars	Useful life
Building – Factory	30 years
Building – Non-factory	60 years
Plant and Equipment	15 years and 20 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer equipment	3 years and 6 years

i) Freehold land has an unlimited useful life and therefore is not depreciated.

ii) Leasehold land is amortised over the period of lease.

Summary of Significant Accounting Policies for the year ended March 31, 2021

iii) Leasehold improvements are amortised over the initial period of lease or useful life, whichever is shorter.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

d. Intangible assets

Recognition and initial measurement

Research and development costs

Expenditure on the research phase of projects is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Company can demonstrate the following:

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

Development costs not meeting these criteria for capitalisation are expensed as and when incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs.

Other intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets under development are not amortized as these assets are not yet available for use. These assets are evaluated for potential impairment on an annual basis or when there are indications that the carrying value is not recoverable.

Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Particulars	Useful life
Patents, trademarks and designs	7 years
Product development	5 years
Technical know-how	5 years
Software	5 years
Websites	2 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e. Investment properties

Recognition and initial measurement

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Properties held under leases are classified as investment properties when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the straight-line method over the lease period of the right-of-use assets.

Though, the Company measures investment properties using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model acceptable internationally.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

f. Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Assets classified as held-for-sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the balance sheet.

g. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest, ancillary costs and other costs in connection with the borrowing and also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. Foreign and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional and presentation currency.

Summary of Significant Accounting Policies for the year ended March 31, 2021

Foreign currencies

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

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

All other exchange differences are charged to the statement of profit and loss.

j. Leases

Effective from April 1, 2019, the Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

k. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

l. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as GST etc. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income

Interest income is recorded on accrual basis using the effective interest rate ("EIR") method.

Royalty income

Royalty is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the terms of the relevant agreement.

Research and license fees income

Research and license fees income is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the term of the relevant agreement.

Export incentives

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Summary of Significant Accounting Policies for the year ended March 31, 2021

m. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:
   - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
   - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

   After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Investments in equity instruments of subsidiaries and joint ventures - Investments in equity instruments of subsidiaries and joint ventures are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iii. Financial assets at fair value

   Investments in equity instruments other than above – Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income ("FVOCI") or fair value through profit or loss FVTPL.

   If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

   Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 49 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

n. Investment in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

o. Post-employment and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan (administered through the Life Insurance Corporation of India), which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences

Compensated absences, which are expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absences expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Income taxes

Income tax expense recognized in statement of profit and loss comprises current tax and deferred tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the applicable tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and presented as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised

Summary of Significant Accounting Policies for the year ended March 31, 2021

or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

r. Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all the conditions.

Government grants related to the income are deferred and recognised in statement of profit and loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property plant and equipment are included in the non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected life of the related assets and presented within other income.

s. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the Board of director (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

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

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. In accordance with Ind AS 108, Operating Segments, the management has disclosed the segment information in the consolidated financial statements of the Group.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

u. Discontinued operations

A discontinued operation is a component of entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Statement of profit and loss from discontinued operations comprise the post-tax Statement of profit and loss from discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any statement of profit and loss arising from sale or re-measurement of discontinued operations is presented as a part of single line item. Statement of profit and loss from discontinued operations separately in the Statement of profit and loss.

v. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Any amount that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset up to the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized in the financial statements.

1.4 Significant management judgments in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgments

Research and developments costs - Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Provisions, contingent liabilities and contingent assets – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. In view of the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the Defined Benefit Obligations (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

1.5 Recent accounting pronouncements (Standard issued but not yet effective):

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

  The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Panacea Biotec
Innovation in support of life

Notes forming part of the standalone financial statements for the year ended March 31, 2021

2.1 Property, plant and equipment

(Rs. in million)

Particulars	Freehold land	Right of use asset - land	Building	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
Gross carrying value									
As at April 1, 2019	2,370.74	291.85	4,151.72	5,618.68	280.86	102.39	167.08	153.66	13,136.98
Additions	-	-	-	6.62	-	0.99	0.47	0.27	8.35
Disposals	(430.24)	-	(1,163.52)	(2,344.39)	(123.10)	(9.55)	(64.60)	(51.58)	(4,186.98)
Adjustments (refer note 42)	-	58.31	-	-	-	-	-	-	58.31
Transferred to investment property	(151.00)	-	(402.72)	-	-	-	-	-	(553.72)
Assets classified as held for sale and discontinued operations (refer note 38)	(127.50)	(200.12)	(391.93)	(4.45)	(16.33)	(13.17)	(19.10)	(0.64)	(773.24)
As at March 31, 2020	1,662.00	150.04	2,193.55	3,276.46	141.43	80.66	83.85	101.71	7,689.70
As at April 1, 2020	1,789.50	350.16	2,585.48	3,280.91	157.76	93.83	102.95	102.35	8,462.94
Additions	-	-	3.12	45.64	0.07	1.68	1.63	1.20	53.34
Disposals	-	-	(42.44)	(1.64)	(0.31)	(22.62)	(9.57)	(3.96)	(80.54)
Transferred to investment property	-	-	(160.16)	-	-	-	-	-	(160.16)
Transfer of assets through demerger (refer note 38)	(127.50)	-	(236.99)	(4.45)	(16.33)	(10.00)	(19.16)	(0.64)	(415.07)
Assets classified as held for sale and discontinued operations (refer note 38)	(99.97)	(200.12)	(155.04)	-	-	-	-	-	(455.13)
As at March 31, 2021	1,562.03	150.04	1,993.97	3,320.46	141.19	62.89	75.85	98.95	7,405.38
Accumulated depreciation									
As at April 1, 2019	-	29.35	952.58	3,485.33	254.99	93.54	157.69	144.23	5,117.71
Charge for the year*	-	2.44	56.20	195.32	3.86	1.30	0.44	0.83	260.39
Disposals	-	-	(259.90)	(1,502.43)	(111.67)	(9.07)	(60.32)	(48.24)	(1,991.63)
Adjustments (refer note 42)	-	3.71	-	-	-	-	-	-	3.71
Transferred to investment property	-	-	(27.08)	-	-	-	-	-	(27.08)
Assets classified as held for sale and discontinued operations (refer note 38)	-	(17.09)	(69.68)	(3.07)	(15.15)	(12.48)	(17.94)	(0.58)	(135.99)
As at March 31, 2020	-	18.41	652.12	2,175.15	132.03	73.29	79.87	96.24	3,227.11
As at April 1, 2020	-	35.50	721.80	2,178.22	147.18	85.77	97.81	96.82	3,363.10
Charge for the year*	-	2.44	53.51	190.01	2.77	0.78	0.56	0.74	250.81
Disposals	-	-	(6.09)	(1.51)	(0.29)	(21.46)	(9.07)	(3.79)	(42.21)
Transfer of assets through demerger (refer note 38)	-	-	(39.06)	(3.08)	(15.15)	(9.46)	(17.94)	(0.58)	(85.27)
Transferred to investment property	-	-	(12.65)	-	-	-	-	-	(12.65)
Assets classified as held for sale and discontinued operations (refer note 38)	-	(17.08)	(30.62)	-	-	-	-	-	(47.70)
As at March 31, 2021	-	20.86	686.89	2,363.64	134.51	55.63	71.36	93.19	3,426.08
Net carrying value:									
as at March 31, 2021	1,562.03	129.18	1,307.08	956.82	6.68	7.26	4.49	5.76	3,979.30
as at March 31, 2020	1,662.00	131.63	1,541.43	1,101.31	9.40	7.37	3.98	5.47	4,462.59

*includes depreciation related to discontinued operations, Rs. Nil (March 31, 2020: Rs. 3.81 million), refer note 38.

Notes :

(i) Refer note 46 for information on assets mortgaged / hypothecated as security.

(ii) Refer note 41(B) for information on contractual commitments related to property, plant and equipment.

2.2 Capital work-in-progress

(Rs. in million)

Particulars	Amount
As at April 1, 2019	29.52
Additions	10.88
Capitalised	-
Disposals and adjustments	(3.74)
Assets classified as held for sale and discontinued operations (refer note 38)	(0.06)
As at March 31, 2020	36.60
As at April 1, 2020	36.60
Additions	127.44
Capitalised	(34.75)
As at March 31, 2021	129.29

Notes :

(i) The capital work-in-progress relates to ongoing projects for construction and installation of property, plant and equipment.

(ii) Refer note 46 for information on assets mortgaged / hypothecated as security.

2.3 Investment property

(Rs. in million)

Particulars	Freehold land	Building	Total
Gross carrying value			
As at April 1, 2019	-	-	-
Transferred from property, plant and equipment	151.00	402.72	553.72
As at March 31, 2020	151.00	402.72	553.72
Transferred from property, plant and equipment	-	160.16	160.16
As at March 31, 2021	151.00	562.88	713.88
Accumulated depreciation			
As at April 1, 2019	-	-	-
Transferred from property, plant and equipment	-	27.08	27.08
Charge for the year	-	6.77	6.77
As at March 31, 2020	-	33.85	33.85
Transferred from property, plant and equipment	-	12.65	12.65
Charge for the year	-	9.30	9.30
As at March 31, 2021	-	55.80	55.80
Net carrying value			
As at March 31, 2021	151.00	507.08	658.08
As at March 31, 2020	151.00	368.87	519.87

Information regarding income and expenditure of the investment property:

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Rental income derived from investment property	71.51	7.30
Less: Direct operating expenses	-	-
Profit from investment property before depreciation	71.51	7.30
Less: Depreciation for the year	(9.30)	(6.77)
Profit arising from investment property	62.21	0.53

Fair value of the investment property:

Particulars	**As at March 31, 2021**	As at March 31, 2020
Investment property	658.08	519.87

Estimation of fair value

Fair value of investment property is based on market approach. The fair value has been determined based on valuation reports of independent experts.

Note: Refer note 46 for information on assets mortgaged / hypothecated as security.

Notes forming part of the standalone financial statements for the year ended March 31, 2021

2.4 Other intangible assets

(Rs. in million)

Particulars	Patent, trademark and copyrights	Softwares	Websites	Product development	Total
Gross carrying value					
As at April 1, 2019	67.71	226.27	9.20	510.68	813.86
Additions	-	-	-	-	-
Disposals	(0.23)	(2.89)	-	-	(3.12)
As at March 31, 2020	67.48	223.38	9.20	510.68	810.74
As at April 1, 2020	67.48	223.38	9.20	510.68	810.74
Additions	-	0.43	-	-	0.43
Disposals	-	(0.20)	-	-	(0.20)
As at March 31, 2021	67.48	223.61	9.20	510.68	810.97
Accumulated amortisation					
As at April 1, 2019	67.32	223.31	9.20	496.80	796.63
Charge for the year	0.08	0.99	-	4.63	5.70
Disposals	(0.15)	(1.73)	-	-	(1.88)
As at March 31, 2020	67.25	222.57	9.20	501.43	800.45
As at April 1, 2020	67.25	222.57	9.20	501.43	800.45
Charge for the year	0.08	0.89	-	4.63	5.60
Disposals	-	(0.21)	-	-	(0.21)
As at March 31, 2021	67.33	223.25	9.20	506.06	805.84
Net carrying value:					
As at March 31, 2021	0.15	0.36	-	4.62	5.13
As at March 31, 2020	0.23	0.81	-	9.25	10.29

Note: Refer note 46 for information on assets mortgaged / hypothecated as security.

2.5 Intangible assets under development

(Rs. in million)

Particulars	Amount
As at April 1, 2019	1.52
Additions	3.84
Capitalised	-
Disposals and adjustments	(4.55)
As at March 31, 2020	0.81
As at April 1, 2020	0.81
Additions	-
Capitalised	(0.43)
Disposals and adjustments	-
As at March 31, 2021	0.38

Notes :

(i) The intangible assets under development relates to product registration, patent, technical know-how and software.

(ii) Refer note 46 for information on assets mortgaged / hypothecated as security.

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
3	**Investments (non-current)**		
	Carried at cost:		
	Investments in equity instruments (unquoted)		
A.	In subsidiary companies (at cost unless otherwise stated):		
	i) Panacea Biotec Pharma Limited		
	1,000,000 (March 31, 2020: 1,000,000) equity shares of Re. 1 each, fully paid up	1.00	1.00
	ii) Meyten Realtech Private Limited		
	100,000 (March 31, 2020: 100,000) equity shares of Re. 1 each, fully paid up	0.10	0.10
	iii) Ravinder Heights Limited		
	Nil (March 31, 2020: 100,000) equity shares of Re. 1 each, fully paid up	-	0.10
	iv) Radhika Heights Limited		
	Nil (March 31, 2020: 4,776,319) equity shares of Re.1 each, fully paid up	-	3,385.65
	v) Adveta Power Private Limited		
	90,000 (March 31, 2020: 90,000) equity shares of Rs. 10 each, fully paid up	0.90	0.90
	vi) PanEra Biotec Private Limited		
	419,767 (March 31, 2020: 419,767) equity shares of Rs. 10 each, fully paid	4.20	4.20
	vii) Panacea Biotec (International) S.A., Switzerland (refer note 54)		
	6,000 (March 31, 2020: 6,000) equity shares of CHF 100 each, fully paid up	34.36	34.36
		40.56	3,426.31
	Less: Provision for impairment in value of investments mentioned (vi) and (vii) above	38.56	38.56
	Less: Investments mentioned in (iii) and (iv) above transferred to discontinued operations (refer note 38)	-	3,385.75
		2.00	2.00
B.	Investment in joint venture company (at cost unless otherwise stated)		
	Chiron Panacea Vaccines Private Limited^		
	Nil (March 31, 2020: 2,295,910) equity shares of Rs. 10 each, fully paid up	-	22.96
		-	22.96
	^ the joint venture company is under liquidation. However, during the year, the Company has received the funds in proportion to its holding in the joint venture company. Accordingly, the Company has booked surplus received over and above its investment as profit on liquidation in joint venture. The final liquidator's statement of account has been submitted with the official liquidator and the further activities for closure of winding up process are in progress.		
C.	Other investments (at fair value through profit and loss)		
	i) Shivalik Solid Waste Management Limited		
	20,250 (March 31, 2020: 20,250) equity shares of Rs. 10 each fully paid up	0.20	0.20
	ii) Mohali Green Environment Private Limited		
	50,000 (March 31, 2020: 50,000) equity shares of Rs. 10 each fully paid up	0.50	0.50
		0.70	0.70
	Less: Investments mentioned in (i) above transferred to discontinued operations (refer note 38)	-	0.20
		0.70	0.50
	Total investments (A+B+C)	2.70	25.46
	Aggregate amount of unquoted investments	41.26	64.02
	Aggregate amount of impairment in value of investments	38.56	38.56
	Notes:		
	(i) The Company does not have any quoted investments during the current as well as previous year.		
	(ii) Refer note 48 for disclosure on fair value measurements in respect of financial assets at cost and fair value through profit and loss.		
4	**Loans (non-current)**		
	(Unsecured, considered good, unless stated otherwise)		
	Security deposits	11.22	11.06
	Loans to related parties	0.30	0.10
	(Unsecured, considered doubtful / credit impaired)		
	Loans to related parties (refer note 43)	385.88	356.81
		397.40	367.97
	Less : Loss allowance (refer note 43)	(385.88)	(356.81)
	Total	11.52	11.16
	Notes:		
	(i) Loans to related parties include accrued interest of Rs. 64.71 million (March 31, 2020: Rs.35.63 million). Loans have been granted for business purpose.		
	(ii) Refer note 46 for information on assets mortgaged / hypothecated as security.		
	(iii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
5	**Other financial assets (non-current)**		
	(Unsecured, considered good, unless stated otherwise)		
	Bank deposits (due for maturity after 12 months from the reporting date)	11.88	5.61
	Lease receivables	30.81	2.90
	Total	42.69	8.51
	Notes:		
	(i) Fixed deposits amounting to Rs. 11.88 million (March 31, 2020: Rs. 5.61 million) are pledged/deposited with banks and various government authorities for tender, bank guarantee, margin money, etc.		
	(ii) Refer note 38 for assets classified as held for sale and discontinued operations.		
	(iii) Refer note 46 for information on assets mortgaged / hypothecated as security.		
	(iv) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
6	**Deferred tax assets (net)**		
	Deferred tax liabilities arising on account of		
	Property, plant and equipment and intangible assets	1,201.33	1,336.73
	Capital expenditure on research and development	-	0.10
		1,201.33	1,336.83
	Deferred tax assets arising on account of		
	Expenditure allowed on payment basis	67.83	59.39
	Unabsorbed business losses and depreciation	1,116.43	1,249.75
	Minimum alternative tax credit entitlement	-	14.45
	Others	17.07	27.69
		1,201.33	1,351.28
	Total	-	14.45
	Note: Refer note 39 for changes in balances of deferred tax assets and/or liabilities.		
7	**Income tax assets (net)**		
	Advance taxes	1,730.72	1,720.94
	Less: Provision for taxes	(1,701.91)	(1,701.91)
	Total	28.81	19.03
8	**Other non-current assets**		
	(Unsecured, considered good unless stated otherwise)		
	Capital advances	7.55	8.90
	Balances with statutory authorities	124.75	124.02
		132.30	132.92
	(Unsecured, considered doubtful, credit impaired (refer note 41(B)))		
	Capital advances	176.80	176.80
	Less: Allowance for doubtful advances	(176.80)	(176.80)
		-	-
	Total	132.30	132.92
	Note: Refer note 46 for information on assets mortgaged / hypothecated as security.		
9	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Raw materials including packing materials	373.12	451.43
	Finished goods	210.94	313.52
	Traded goods	2.64	3.91
	Work-in-progress	118.61	157.16
	Stores and spares	165.06	66.24
	Total	870.37	992.26
	Notes:		
	(i) Refer note 30 & 32 for consumption of and changes in inventories recorded by the Company.		
	(ii) Refer note 46 for information on assets mortgaged / hypothecated as security.		
10	**Trade receivables**		
	Unsecured, considered good	352.92	176.86
	Unsecured, considered doubtful, credit impaired	24.62	6.39
		377.54	183.25
	Less: Allowance for expected credit loss	(24.62)	(6.39)
	Total	352.92	176.86
	Notes:		
	(i) Refer note 46 for information on assets mortgaged / hypothecated as security.		
	(ii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
11	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	70.89	147.77
	- in exchange earners' foreign currency accounts	15.36	0.80
	Cash on hand	0.31	0.58
	Total	86.56	149.15
	Note: Refer note 46 for information on assets mortgaged / hypothecated as security.		
12	**Bank balances other than cash and cash equivalents**		
	Bank Deposits (with original maturity for more than 3 months but less than 12 months from the reporting date)	803.06	456.94
	Total	803.06	456.94
	Notes:		
	(i) Fixed deposits amounting to Rs. 412.25 million (March 31, 2020: Rs. 376.35 million) are pledged/provided with banks and various government authorities for tender, bank guarantee, margin money, etc.		
	(ii) Refer note 46 for information on assets mortgaged / hypothecated as security.		
13	**Loans (current)**		
	(Unsecured, considered good, unless stated otherwise)		
	Security deposits	3.28	3.03
	Amounts receivable from employees	9.62	8.28
		12.90	11.31
	(Unsecured, considered doubtful/ credit impaired)		
	Loans to related parties (refer note 45 and 54)	585.16	585.16
	Less : Loss allowance (refer note 45 and 54)	(585.16)	(585.16)
		-	-
	Total	12.90	11.31
	Notes:		
	(i) Refer note 46 for information on assets mortgaged / hypothecated as security.		
	(ii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
	(iii) Loans to related parties have been granted for business purposes.		
14	**Other financial assets (current)**		
	(Unsecured, considered good, unless stated otherwise)		
	Export benefits receivable	61.59	31.77
	Others	0.72	30.89
	Total	62.31	62.66
	Notes:		
	(i) Refer note 38 for assets classified as held for sale and discontinued operations		
	(ii) Refer note 46 for information on assets mortgaged / hypothecated as security.		
	(iii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
15	**Other current assets**		
	(Unsecured, considered good, unless otherwise stated)		
	Balances with statutory authorities	327.10	116.52
	Prepaid expenses	13.82	11.73
	Advance to suppliers - considered good	28.98	141.62
		369.90	269.87
	(Unsecured, considered doubtful, credit impaired)		
	Advance to suppliers (refer note 45)	103.50	85.41
	Less: Allowance for doubtful advances (refer note 45)	(103.50)	(85.41)
		-	-
	Total	369.90	269.87
	Note: Refer note 46 for information on assets mortgaged / hypothecated as security.		

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
16 Share capital		
Authorised		
125,000,000 (March 31, 2020: 125,000,000) equity shares of Re. 1 each	125.00	125.00
109,837,000 (March 31, 2020: 110,000,000) preference shares of Rs. 10 each	1,098.37	1,100.00
	1,223.37	1,225.00
Issued, subscribed and fully paid up		
61,250,746 (March 31, 2020: 61,250,746) equity shares of Re. 1 each	61.25	61.25
Total	61.25	61.25

(a) Reconciliation of number of equity shares:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Equity shares at the beginning of the year	61,250,746	61.25	61,250,746	61.25
Changes during the year	-	-	-	-
Equity shares at the end of the year	61,250,746	61.25	61,250,746	61.25

(b) Terms/right attached to equity shares:

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has not proposed any dividend for current year and previous year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts including preference shares. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Details of shareholders holding more than 5% of equity shares in the Company

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Mr. Soshil Kumar Jain	5,000,000	8.16%	5,000,000	8.16%
Dr. Rajesh Jain	25,217,312	41.17%	6,213,500	10.14%
Mr. Sandeep Jain	10,031,600	16.38%	4,792,100	7.82%
Mrs. Sunanda Jain	-	-	6,647,300	10.85%
Ravinder Jain (HUF)	-	-	4,135,000	6.75%
Rajesh Jain (HUF)	-	-	3,750,799	6.12%
Sandeep Jain (HUF)	-	-	4,105,000	6.70%
Serum Institute of India Ltd.	-	-	5,805,279	9.48%
Mr. Adar Cyrus Poonawala	3,157,034	5.15%	3,157,034	5.15%

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

(d) The Company has neither bought back any equity shares nor issued any equity shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

(e) Terms attached to 0.5% cumulative non-convertible and non-participating redeemable preference shares:

The Company has only one class of preference shares having a par value of Rs. 10 per share. The Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has not proposed any dividend for current year and previous year.

The preference shares were initially issued for a period of 10 years w.e.f. January 6, 2015, with an option with the Company as well as the preference shareholders for early redemption of preference shares, provided CDR Debts were fully serviced and the Company comes out from the purview of CDR system. After payment of CDR Debts, the terms of preference shares were amended on April 8, 2019 so as to enhance the tenure from 10 years to 15 years with an option with the Company as well as preference shareholders for early redemption of preference shares, provided the secured debt obligations with respect to debentures issued by the Company are fully serviced by the Company as per the agreed terms with the new investor. In the event of liquidation of the Company, the holders of preference shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in preference to the equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders. Also refer note 18(B).

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

Particulars	**As at March 31, 2021**		As at March 31, 2020	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Preference shares at the beginning of the year	16,300,000	163.00	16,300,000	163.00
Changes during the year*	(163,000)	(1.63)	-	-
Preference shares at the end of the year	16,137,000	161.37	16,300,000	163.00

*As per the Scheme of Arrangement with respect to demerger of Demerged Undertaking (refer note 38), 163,000 preference shares have been cancelled including all the accrued rights therein upon implementation of the said Scheme of Arrangement and completion of related compliances. The Resulting Company viz. Ravinder Heights Ltd. has issued equivalent number of preference shares to the preference shareholders.

(g) The Company has neither bought back any preference shares nor issued any preference shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

(h) Details of preference shareholders holding more than 5% of 0.5% cumulative non convertible and non participating redeemable preference share capital:

Name of shareholder	**As at March 31, 2021**		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Mr. Soshil Kumar Jain	6,504,300	40.31%	6,570,000	40.31%
Dr. Rajesh Jain	6,504,300	40.31%	6,570,000	40.31%
Mr. Sandeep Jain	3,128,400	19.38%	3,160,000	19.38%

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

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
17 Other equity*		
A. Reserves and surplus:		
Capital reserve	2,148.34	5,862.02
Retained earnings	51.15	181.75
General reserve	684.99	364.99
Security premium	897.05	897.05
Capital redemption reserve	1,022.34	1,022.34
Total (A)	4,803.87	8,328.15
B. Equity component of compound financial instruments (refer note 16(e) to (h) and 18(B))	216.54	217.93
C. Share warrants**	-	320.00
Total (A+B+C)	5,020.41	8,866.08

* For changes in balances of reserves, refer to the Standalone Statement of Changes in Equity.

**During the previous year, the Company had issued and allotted 7,111,111 convertible warrants ("Share warrants") at a price of Rs.180 each on a preferential basis to India Resurgence Fund - Scheme 1, India Resurgence Fund - Scheme 2 and Piramal Enterprises Limited ("Investors"). During the financial year 2020-21, these Share warrants have stood cancelled as the Investors did not exercise the conversion option within the stipulated time.

Nature and purpose of other reserves:

General reserve: The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings: are the profits/(losses) that the Company has earned till date, less any transfer to any reserves, dividend or other distribution paid to shareholders.

Capital redemption reserve: Created in accordance with provisions of the Act in connection with the buy back of equity shares from the market. Capital reserve: Created pursuant to the transfer of pharmaceutical business to PBPL and demerger of the real estate business (refer note 38).

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
18. Borrowings (non-current)		
Rupee Term loans from others		
Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer notes (A) (i) and (ii) below)	10.00	34.00
Department of Science & Technology ("DST") (unsecured) (refer note (A) (iii) below)	2.00	4.00
Technology Development Board ("TDB") (secured) (refer note (A) (iv) below)	40.52	57.98
Unsecured		
Liability component of compound financial instruments		
16,137,000 (March 31, 2020: 16,300,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs.10 each (refer note (B) below)	34.48	28.97
Loan from related parties (refer note (A) (v) below)	563.82	511.82
	650.82	636.77
Less: current maturities of non-current borrowings (disclosed under note 24)	(30.01)	(32.44)
Total	620.81	604.33

Notes :

Rate of interest - The Company's long term borrowings were at an effective weighted average rate of 8.61% p.a. (March 31, 2020: 18.29% p.a.).

(A) Repayment terms and security of loans :

(i) Rupee term loan from BIRAC for H1N1 influenza vaccine project, with amount outstanding of Rs. 7.00 million (March 31, 2020: Rs. 28.00 million) is repayable in ten equal half-yearly instalments commencing from March 31, 2017. This loan is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(ii) Rupee term loan from BIRAC for Streptococcus pneumococcal conjugate vaccine project, with amount outstanding of Rs. 3.00 million (March 31, 2020 : Rs. 6.00 million) is repayable in ten equal half-yearly instalments commencing from May 29, 2017 and is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(iii) The unsecured rupee term loan from DST of Rs. 2.00 million (March 31, 2020: Rs. 4.00 million) is for specific project and is repayable in ten equal annual instalments commencing from September 2012.

(iv) Rupee term loan from TDB of Rs. 40.52 million (March 31, 2020: Rs. 57.98 million) is for Dengue vaccine project and is repayable in nine equal half-yearly instalments commencing from July 1, 2020. During the financial year 2020-21, TDB has decided to reduce the sanctioned loan amount from Rs. 289.90 million to Rs. 57.98 million. In view of the COVID-19 pandemic situation TDB has agreed to collect first three installments on July 1, 2021. This loan is secured by way of first pari-passu charge (i) on the whole of the moveable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future except book debts; and (ii) mortgage of immovable properties of the Company being land admeasuring 1011.11 sq. yards, situated at Plot no. 37, Sector 21-A, Urban Estate, Faridabad, Haryana.

(v) Loan from related parties includes loans from bodies corporate and are payable after April 7, 2024. Interest rates range between 9% - 9.5% p.a., also refer note 45.

(B) Liability component of compound financial instruments

Further to note 16(f), the Company had issued 16,300,000 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs. 10 each to the three promoters, viz., Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. The preference shares are presented in the balance sheet as follows:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Value of preference shares issued	163.00	163.00
Opening interest accrued	83.90	81.34
Interest expense (refer note (i) below)	5.75	2.56
Total (A)	252.65	246.90
Equity component of preference shares (refer note (i) below)	217.93	96.39
Adjustment on account of change in terms of preference shares (refer note 16(e))	-	121.54
Cancellation of preference shares on account of demerger (refer note 16(f))	1.63	-
Transfer to capital reserve on account of demerger	(1.39)	-
Total (B)	218.17	217.93
Liability component of compound financial instruments (A-B)	34.48	28.97

Notes:

(i) The equity component is the difference between fair value of liability component computed at the effective interest rate of 18.85% p.a. (March 31, 2020: 18.85% p.a.) and the value of preference shares issued, which is presented as a separate component of equity in the Standalone Statement of Changes in Equity.

(ii) Refer note 46 for information on assets mortgaged / hypothecated as security.

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
19 Other financial liabilities (non-current)		
Interest accrued but not due on borrowings	52.46	20.59
Total	52.46	20.59
20 Provisions (non-current)		
Provision for gratuity (refer note 46)	71.06	81.03
Provision for compensated absences	52.59	44.60
Total	123.65	125.63
21 Other non-current liabilities		
Deferred government grant	29.06	33.47
Total	29.06	33.47
22 Borrowings (current)		
Loan from body corporate (unsecured)	-	35.68
Total	-	35.68
23 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	30.05	28.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,210.55	1,330.41
Total	1,240.60	1,358.96

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

On the basis of confirmation obtained from suppliers who have registered themselves under the MSMED Act, and based on the information available with the Company, the disclosures pursuant to the said MSMED Act are as follows :

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	The amount remaining unpaid to any supplier as at the end of each accounting year		
	Principal	30.05	28.55
	Interest	0.16	1.08
b)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.16	1.08
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-

Particulars	As at March 31, 2021	As at March 31, 2020
24 Other financial liabilities (current)		
Current maturities of non-current borrowings (refer note 18)	30.01	32.44
Interest accrued but not due on borrowings	3.19	7.94
Interest accrued and due on borrowings	12.83	15.49
Others	0.98	0.93
Total	47.01	56.80

Note: Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
25	**Other current liabilities**		
	Deferred government grant	17.29	56.04
	Advances from customers (refer note 41(A)(vii))	619.68	100.26
	Advance against sale of property, plant and equipment	18.50	12.50
	Statutory liabilities	7.75	11.33
	Total	663.22	180.13
26	**Provisions (current)**		
	Provision for compensated absences	44.37	26.48
	Total	44.37	26.48
27	**Current tax liabilities (net)**		
	Provision for taxation	12.84	4.55
	Total	12.84	4.55

(Rs. in million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
28	**Revenue from operations**		
	Sale of products (net)		
	Finished goods	2,242.20	1,374.89
	Traded goods	1,124.42	176.85
	Other operating revenue		
	Export benefits	66.31	27.27
	Scrap sale	2.62	1.84
	Total	3,435.55	1,580.85
A	Disaggregated revenue from contracts with customers (including discontinued operations)		
	Revenue from sale of products		
	Vaccine	2,242.20	1,374.89
	Pharma	1,124.42	3,453.29
	Other operating revenue		
	Vaccine	36.14	29.11
	Pharma	32.79	39.48
	Total	3,435.55	4,896.78
	Revenue by Geography		
	India	938.41	3,169.97
	Outside India	2,497.14	1,726.81
	Total	3,435.55	4,896.78
B	Reconciliation of gross revenue with the revenue from contracts with customers (including discontinued operations)		
	Gross revenue #	3,481.49	5,116.64
	Adjusted for:		
	Discounts	(25.57)	(92.85)
	Sales returns	(20.37)	(127.01)
	Total	3,435.55	4,896.78
	# Revenues are recorded at a point in time. The Company has no remaining performance obligations once the goods are delivered to the customer as per terms of the contract.		
	Note: Refer note 45 for related party transaction disclosures.		
C	The following table provides for information about trade receivables, contract assets from contracts with customers:		
	Trade receivables*	377.54	183.25
	Contract balances		
	– Advances from customers$	619.68	100.26
	Total	997.22	283.51

* Trade receivables are non-interest bearing and are generally due within 30 to 180 days. There is no significant financing component in any transaction with the customers.

$ The adjustments of advances during the year are not considered to be significant. Also refer note 41(A)(vii).

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
29 Other income		
Income from investments:		
Dividend income	-	0.04
Interest income from:		
Bank deposits	29.72	44.92
Loans to subsidiaries	29.08	35.63
Others	0.88	1.04
Others		
Excess provisions/debt written back	18.20	205.44
Government grant income	10.64	8.34
Lease rent - investment property	71.51	7.30
Lease rent - others	5.53	3.55
Surplus on liquidation of joint venture	32.93	-
Miscellaneous	8.99	2.49
Total	207.48	308.75
Note: Refer note 45 for related party transaction disclosures.		
30 Cost of materials consumed		
Raw materials including packing materials		
Inventories at the beginning of the year	451.43	177.75
Add : Purchases during the year	608.64	1,026.35
Less: Inventories at the end of the year	(373.12)	(451.43)
Total	686.95	752.67
31 Purchases of traded goods		
Purchases of traded goods	933.26	114.38
Total	933.26	114.38
Note: Refer note 45 for related party transaction disclosures		
32 Changes in inventories of finished goods, traded goods and work-in-progress		
Inventories at the end of the year		
Finished goods	210.94	313.52
Traded goods	2.64	3.91
Work-in-progress	118.61	157.16
Total	332.19	474.59
Inventories at the beginning of the year		
Finished goods	313.52	117.63
Traded goods	3.91	-
Work-in-progress	157.16	75.17
Total	474.59	192.80
Changes in inventories of finished goods, traded goods and work-in-progress	142.40	(281.79)
33 Employee benefits expense		
Salary and wages	557.18	440.80
Contribution to provident and other funds (refer note 47)	17.32	14.90
Staff welfare expenses	20.24	10.72
Total	594.74	466.42
Note: Refer note 45 for related party transaction disclosures		
34 Finance costs		
Interest expense	72.01	51.48
Other borrowing costs	3.16	1.19
Total	75.17	52.67

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
35 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	250.81	256.58
Depreciation on investment property	9.30	6.77
Amortisation of intangible assets	5.60	5.70
Total	265.71	269.05
36 Other expenses		
Analytical testing and trial	29.96	26.27
Advertising and sales promotion	29.05	38.78
Allowance for expected credit loss and doubtful advances	48.98	263.87
Consumption of stores and spares	132.91	91.47
Commission on sales	7.58	7.05
Directors' sitting fees	1.87	1.37
Freight and forwarding	245.21	54.15
Insurance	22.75	16.52
Legal and professional	133.13	29.61
Loss on disposal of property, plant and equipment	0.38	289.92
Loss on foreign exchange transactions and translations (net)	1.66	8.70
Meetings and conferences	3.24	14.91
Miscellaneous	8.39	7.14
Office expenses	3.86	0.15
Power and fuel	207.78	175.79
Printing and stationery	4.03	3.26
Postage and communication	7.06	4.47
Payment to auditors (refer note (i) below)	7.14	3.88
Provision for impairment of property, plant and equipment (refer note 38)	39.97	-
Repairs to and maintenance of:		
Buildings	12.27	2.44
Plant and machinery	19.28	10.27
Others	17.84	5.87
Rent	13.87	4.50
Rates and taxes	24.54	31.38
Staff training and recruitment	5.48	6.46
Subscription	7.70	8.93
Travelling and conveyance	9.72	23.78
Vehicle running and maintenance	9.79	7.74
Security charges	17.88	12.80
Total	1,073.32	1,151.48
Notes:		
(i) Payment to auditors*		
As auditor		
- Audit fee	2.10	2.10
- Limited review fee	2.40	2.40
In other capacity		
- Certification and other matters	2.46	1.97
- Reimbursement of out of pocket expenses	0.18	0.45
Total	7.14	6.92
*including Discontinued operations but excludes GST		
(ii) Refer note 45 for related party transaction disclosures		
37 Exceptional items		
Excess managerial remuneration receivable written off (refer note 45)	-	(153.97)
Total	-	(153.97)

38 Discontinued operations

(i) Slump sale of pharmaceutical business

On February 26, 2019, as a part of the business reorganization, the Company's Board of Directors had approved transfer of its pharmaceutical formulations business to its wholly owned subsidiary, Panacea Biotec Pharma Limited ('PBPL'), together with all tangible assets (except R&D center and natural product extraction facility at Lalru) and all intangible assets as specified in the Business Transfer Agreement ("BTA") in relation to the pharmaceutical formulations business including pharmaceutical formulations facility at Baddi, Himachal Pradesh, (referred to as 'Pharma business'), as a going concern through slump sale, with an objective to segregate the different businesses of the Company to ensure smooth functioning of each business in the future. The divestment was approved by the shareholders of the Company in their extra-ordinary general meeting held on March 25, 2019. In order to implement the above transfer, the Company had executed a BTA with PBPL on April 7, 2019 as amended by BTA Amendment Agreement dated February 4, 2020.

PBPL completed its compliance with the terms and conditions of BTA on February 1, 2020 and consequently, the BTA became effective from that date. Accordingly, the Company recorded a capital reserve amounting to Rs. 5,862.02 million on transfer of the Pharma business to PBPL during the previous year.

(ii) Demerger of real estate business

On February 26, 2019 and May 30, 2019, the Board of Directors of the Company had approved a plan and a scheme of arrangement respectively for demerger of its real estate business comprising wholly owned subsidiary Radhika Heights Limited ('RHL') alongwith its step down subsidiaries and two real estate properties from PBL ('Demerged Undertaking') to its wholly-owned subsidiary, Ravinder Heights Limited ('Transferee Company'). The Company received approvals from its shareholders and unsecured creditors in their respective NCLT convened meetings held on January 28, 2020. The said scheme of arrangement was approved by the Hon'ble National Company Law Tribunal, Chandigarh vide its order dated September 9, 2020, and became effective on September 10, 2020. In accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations', the results related to the Demerged Undertaking for the period April 1, 2020 to September 10, 2020 have been included in the standalone financial statements as discontinued operations.

(iii) The net value of assets transferred:

(Rs. in million)

Particulars	Amount
Assets	
Non-current assets	3,715.28
Total (A)	3,715.28
Liabilities	
Non-current liabilities	0.80
Current liabilities	0.80
Total (B)	1.60
Capital reserve (A-B)	3,713.68

(iv) Financial performance and cash flows for the pharmaceutical business and real estate business:

(a) Analysis of loss:

(Rs. in million)

Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
Income		
Revenue from operations	-	3,315.93
Other income	-	130.30
Total Income	-	3,446.23
Expenses		
Cost of materials consumed	-	904.02
Purchases of traded goods	-	97.09
Changes in inventories of finished goods, traded goods and work-in-progress	-	(79.22)
Employee benefits expense	0.28	765.98
Finance costs	-	1,419.79
Depreciation and amortisation expense	-	3.81
Other expenses	-	905.22
Total expenses	0.28	4,016.69
Loss before exceptional items and tax	(0.28)	(570.46)
Exceptional items	-	-
Loss before tax from discontinued operations	(0.28)	(570.46)
Tax expense	-	-
Loss from discontinued operations after tax	(0.28)	(570.46)

Note: Previous year figures include pharmaceutical business also.

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(b) Net cash flows attributable to:

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net cash (outflows) / inflows from operating activities	-	(473.96)
Net cash (outflows) / inflows from investing activities	-	59.09
Net cash (outflows) / inflows from financing activities	-	(360.51)
Net cash (outflows) / inflows	-	(775.38)

(c) Book value of assets and liabilities pertaining to discontinued operations:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current assets		
Property, plant and equipment	-	329.80
Capital work-in-progress	-	0.06
Investments	-	3,385.75
Other non-current financial assets	-	0.25
Total non-current assets	-	3,715.86
Current assets		
other financial assets	-	0.83
Total current assets	-	0.83
Total assets (A)	-	3,716.69
Non-current liabilities		
Provisions	-	6.83
Total non-current liabilities	-	6.83
Current liabilities		
Trade payables	-	1.57
Provisions	-	2.53
Total current liabilities	-	4.10
Total liabilities (B)	-	10.93

(v) Assets held for sale
The Company has plans to sell following assets in near future:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment		
Gross carrying value	455.13	355.15
Less: Accumulated depreciation	47.70	47.70
Less: Provision for impairment	39.97	-
Total (C)	367.46	307.45
Total assets classified as held for sale and discontinued operations (A+C)	367.46	4,024.14

(Rs. in million)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
39	**Tax expense**		
	For continuing operations:		
	Income tax expense consists of the following:		
	Current tax	22.74	398.82
	Deferred tax	(7.13)	(227.83)
	Total tax expense	15.61	170.99
	Reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported is as follows:		
	Loss before tax from:		
	Continuing operations	(128.52)	(789.25)
	Discontinued operations	(0.28)	(570.46)
	Profit/(loss) before income taxes from continuing and discontinued operations	(128.80)	(1,359.71)
	At Company's statutory income tax rate of 34.94% (March 31, 2020: 34.94%)	(45.01)	(475.14)
	Adjustments in respect of current income tax		
	Adjustment on account of different tax base and tax rates	67.75	873.96
	Minimum alternative tax (MAT) credit entitlement	-	(227.83)
	Others	(7.13)	-
	Income tax expense reported in the Statement of Profit and Loss	15.61	170.99

Tax losses:

a) No deferred tax asset has been recognised on these unutilised tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised.

b) Deferred tax assets have been recognised to the extent there are sufficient taxable temporary differences.

c) Minimum Alternate Tax (MAT): The Company has unused MAT credit of Rs. Nil (March 31, 2020: Rs. 14.45 million)

d) Movement in deferred tax assets/(liabilities) :

(Rs. in million)

Particulars	As at March 31, 2020	Charged/(credited) to		As at March 31, 2021
		profit and loss	other comprehensive income	
For the year ended March 31, 2021:				
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	1,336.73	(135.40)	-	1,201.33
Capital expenditure on research and development	0.10	(0.10)	-	-
	1,336.83	(135.50)	-	1,201.33
Tax effect of items constituting deferred tax assets:				
Expenditure allowed on payment basis	59.39	8.44	-	67.83
Effect of unabsorbed business loss and depreciation	1,249.75	(133.32)	-	1,116.43
Minimum alternative tax credit entitlement*	14.45	(14.45)	-	-
Others	27.69	(3.49)	(7.13)	17.07
	1,351.28	(142.82)	(7.13)	1,201.33
Net deferred assets/(liabilities)	14.45	(7.32)	(7.13)	-

*Current year provision for tax has been adjusted against MAT Credit.

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(Rs. in million)

Particulars	As at March 31, 2019	Charged/(credited) to profit and loss	Charged/(credited) to other comprehensive income	As at March 31, 2020
For the year ended March 31, 2020:				
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	1,465.88	(129.15)	-	1,336.73
Capital expenditure on research and development	8.44	(8.34)	-	0.10
	1,474.32	(137.49)	-	1,336.83
Tax effect of items constituting deferred tax assets:				
Expenditure allowed on payment basis	407.06	(347.67)	-	59.39
Effect of unabsorbed business loss and depreciation	1,051.76	197.99	-	1,249.75
Minimum alternative tax credit entitlement	192.04	(177.59)	-	14.45
Others	15.50	18.79	(6.60)	27.69
	1,666.36	(308.48)	(6.60)	1,351.28
Net deferred assets/(liabilities)	192.04	(170.99)	(6.60)	14.45

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
40 Loss per share		
Loss attributable to shareholders from continuing operations	(144.13)	(960.24)
Loss attributable to shareholders from discontinued operations	(0.28)	(570.46)
Weighted average number of equity shares	61,250,746	61,250,746
Face value per equity share (in Rs.)	1.00	1.00
Loss per equity share (in Rs.):		
- Basic and diluted - from continuing operations	(2.35)	(15.68)
- Basic and diluted - from discontinued operations	(0.00)	(9.31)
- Basic and diluted - from continuing and discontinued operations	(2.35)	(24.99)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
41 Contingent liabilities and commitments		
(A) Contingent liabilities (to the extent not provided for)		
Disputed demands/show cause notices under:		
Income tax cases (refer notes (i) to (iv) below)	3,496.55	3,462.86
Customs duty cases (refer note (v) below)	4.00	4.00
Labour cases*	226.73	170.00
Sales Tax / VAT cases (refer note (vi) below)	342.65	32.45

*in view of large number of cases, it is impracticable to disclose each case

Notes :

i) Includes income tax demand of Rs. 162.22 million in respect to Assessment Year 2005-06. The Income Tax department had issued demand based on certain grounds related to purchases made by the Company from an overseas vendor. The matter was decided in favour of the Company and the demand was cancelled by CIT (Appeals). However, the Income Tax Department has filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. The Company believes that it has merit in these cases, hence no provision is required.

ii) A search operation was conducted by the Income Tax Department in the premises of the Company in January 2012 and hence the Company had re-filed the income tax returns for the Assessment Year 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs. 3,294.90 million (including interest) on various grounds. The Company preferred appeals before the CIT (Appeals) against the orders of the Income Tax department. The appeals were decided in favour of the Company and the demand was cancelled. However, CIT (Appeals) has made certain disallowances with respect to Assessment Year 2010-11 and 2011-12 against which the Company has filed appeals before the ITAT. The Income Tax Department has also filed appeals before ITAT against the orders of CIT (Appeals). The appeals before ITAT are pending at present. Based on legal advice, the Company believes that it has merits in these cases, hence no provision is required.

iii) The income tax department issued a demand of Rs. 5.74 million in respect of Assessment Year 2009-10 on the Company due to non-deduction of withholding tax on payment made to a non-resident person towards purchase of immovable property. The Company filed an appeal before CIT (Appeals) against the order of department but the CIT (Appeals) gave its decision in favour of the department. The Company filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. During the year, the Company has moved an application under the "Vivad Se Vishwas Scheme" for settlement of the case.

iv) The income tax department has raised a demand of Rs. 33.69 million in respect of Assessment Year 2016-17 based on transfer pricing order passed by Dispute Resolution Panel. The demand was raised on purchase of certain goods by the Company from its associated enterprise wherein, according to income tax department, arms length price adjustment was warranted. The company is in the process of filing appeal before Income Tax Appellate Tribunal against the order passed.

v) In respect of custom duty demand, the Assessing Officer levied custom duty on certain exempted items imported by the Company. The Company has deposited the entire amount of demand under protest amounting to Rs. 4.00 million and the matter is pending before the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT"). The Company believes that it has merit in its case, hence no provision is required.

vi) In respect of sales tax / VAT demands for Delhi, Ahmedabad, Lucknow, Patna and Indore, the department has disallowed certain credit notes and non submission of statutory forms etc. The Company believes that it has merit in these cases and hence no provision is required.

vii) The Company had manufactured and offered supply of certain vaccines which were manufactured against the confirmed order received from the Ministry of Health and Family Welfare ("MOHFW"). Some quantities of vaccines were supplied during December 2011, the balance could not be supplied in view of disputes with respect to delivery dates and in the meantime the stock of such vaccines amounting to Rs. 74.10 million expired. Further, the Company had also received an advance market commitment ("AMC") amounting to Rs. 100.00 million against these vaccines. The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOHFW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. The arbitration award was pronounced in favour of the Company on March 14, 2019, vide which MOHFW was directed to pay the applicable amount for vaccine supplied/offered for supply along with interest. MOHFW has filed an appeal before Hon'ble Delhi High Court raising certain objections against the award, which was dismissed by the Hon'ble Court. MOHFW has filed an appeal against such order before the Division Bench of the Hon'ble Delhi High Court which is currently pending before the same. The Company's application for execution of award is currently pending before the Hon'ble Delhi High Court. The Company believes that the outcome of this matter will not have any material adverse impact on the financial position of the Company.

(B) Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	49.26	41.50

b) Other commitments:

i) The Company has received financial assistance in the form of soft loan under various projects from Department of Biotechnology, Department of Science & Technology and Technology Development Board respectively. As per the terms of related agreements, the Company is also required to incur expenditure in the form of monetary contribution to the relevant projects. The amount of commitment is not quantifiable.

ii) Refer note 42 for commitments relating to lease arrangements.

42 Leases

Company as a lessee

The Company has adopted Ind AS 116, Leases, effective April 1, 2019. The Company does not have any long-term non cancellable leases. As on April 1, 2019, leasehold land has been transferred to Right of Use ("RoU") asset. Refer note 2.1 for details. Lease payments with respect to short term leases amount to Rs. 4.50 million has not been included in the measurement of lease liability. As there were no lease commitments as at March 31, 2019, hence disclosures related to reconciliation of total lease commitments as at March 31, 2019 to the lease liabilities recognised at April 1, 2019 is not applicable.

Company as a lessor

Operating leases

"The Company has entered into operating leases on its investment property portfolio consisting of certain office, guest house, warehouse manufacturing buildings etc. These leases have terms of 20 years. All leases include a clause for upward revision of

Notes forming part of the standalone financial statements for the year ended March 31, 2021

the rental charge by 5% on an annual basis according to prevailing market conditions. Rental income recognised by the Company from above said lease agreements is Rs. 71.51 million (March 31, 2020: Rs. 7.30 million).

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	43.27	43.99
After one year but not more than five years	195.84	175.97
More than five years	1,064.37	652.55
Total	1,303.48	872.51

43 Details of loans and advances, in the ordinary course of business, to subsidiaries, associates and companies in which directors are interested:

(as required under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of the Companies Act, 2013.)

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
a)	Loans to wholly owned subsidiaries (including accrued interest)		
	Meyten Realtech Private Limited	0.30	0.10
	Panacea Biotec (International) S.A.	89.74	82.97
	Panacea Biotec Germany GmbH	296.15	273.84
		386.19	356.91
b)	Maximum amount due at any time during the year		
	Meyten Realtech Private Limited	0.30	0.10
	Panacea Biotec (International) S.A.	89.74	82.97
	Panacea Biotec Germany GmbH	296.15	273.84
		386.19	356.91
c)	Allowance for doubtful advances on above loan and interest receivable	385.89	356.81

Note: The above loans have been given for business purposes.

44 Research and development expenditure

Research and development expenditure incurred by the Company during the financial year are mentioned below:

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue expenditure (refer note (i) below)		
Material consumed	8.68	7.77
Employee benefits expense	42.27	81.00
Other expenses	74.67	116.36
Depreciation and amortisation expense	37.30	40.60
Capital expenditure (refer note (ii) below)	35.95	1.97
Total	198.87	247.70

Notes:

(i) Revenue expenditure includes Rs. Nil (March 31, 2020: Rs. 138.65 million) pertaining to discontinued operations.

(ii) Capital expenditure includes Rs. Nil (March 31, 2020: Rs. 1.97 million) pertaining to discontinued operations.

45 Related party disclosures

A. List of related parties and relationship with whom transactions have taken place:

i) Parties where control exists

(a) Wholly owned subsidiaries (WOS):

- Panacea Biotec Pharma Limited ("PBPL") (WOS) (w.e.f March 22, 2019)
- Panacea Biotec (International) SA ("PBS"), Switzerland (WOS)
- Panacea Biotec Germany GmbH ("PBGG"), Germany indirect WOS (IWOS) through PBS)
- Meyten Realtech Pvt. Ltd. ("Meyten") (WOS) (w.e.f. April 12, 2019)
- Radhika Heights Limited ("RHL") (WOS) upto September 10, 2020)
- Ravinder Heights Limited ("RVHL") (WOS) from April 15, 2019 to September 10, 2020)
- Cabana Construction Private Limited (IWOS) through RHL upto September 10, 2020)
- Cabana Structures Limited (IWOS through RHL upto September 10, 2020)
- Nirmala Buildwell Private Limited (IWOS through RHL upto September 10, 2020)
- Nirmala Organic Farms & Resorts Private Limited (IWOS through RHL upto September 10, 2020)
- Radicura Infra Limited (IWOS through RHL upto September 10, 2020)
- Sunanda Infra Limited (IWOS through RHL upto September 10, 2020)
- Rees Investments Limited ("Rees"), Island of Guernsey (WOS) (liquidated on May 23, 2019).

(b) Subsidiaries*:

Adveta Power Private Limited ("Adveta")

PanEra Biotec Private Limited ("PanEra")

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

ii) Other related parties:

(a) Joint Venture:

Chiron Panacea Vaccines Private Limited ("CPV") (Under liquidation)

(b) Key Management Personnel:

- Mr. Soshil Kumar Jain - Chairman and Whole-time Director
- Dr. Rajesh Jain - Managing Director
- Mr. Sandeep Jain - Joint Managing Director
- Mrs. Sunanda Jain - Whole-time Director (upto October 7, 2020)
- Mr. Sumit Jain - Whole-time Director designated as Director Operations & Projects (upto October 7, 2020)
- Mr. Ankesh Jain - Whole-time Director designated as Director Sales & Marketing
- Mr. R. L. Narasimhan - Non-Executive Independent Director
- Mr. N. N. Khamitkar - Non-Executive Independent Director
- Mr. K. M. Lal - Non-Executive Independent Director
- Mrs. Manjula Upadhyay - Non-Executive Independent Director
- Mr. Mukul Gupta - Non-Executive Independent Director
- Mr. Ashwini Luthra - Non-Executive Independent Director
- Mr. Bhupinder Singh - Non-Executive Independent Director (w.e.f. April 8, 2019)
- Mr. Nithin Krishna Kaimal - Non-Executive Director (from April 8, 2019 to December 10, 2019)
- Mr. Shantanu Yeshwant Nalavadi - Non-Executive Director (w.e.f. December 10, 2019)
- Mr. Vinod Goel - Group CFO and Head Legal & Company Secretary
- Mr. Devender Gupta - Chief Financial Officer & Head Information Technology

(c) Enterprises over which Person(s) (having control or significant influence over the Company / Key management personnel(s), along with their relatives) are able to exercise significant influence:

- Neophar Alipro Limited ("Neophar")
- Lakshmi & Manager Holdings Limited ("LMH") (upto October 7, 2020),
- Trinidhi Finance Private Limited ("Trinidhi") subsidiary of LMH (upto October 7, 2020)
- Best General Insurance Company Limited (subsidiary of LMH) (upto October 7, 2020)
- First Lucre Partnership Co. (holding shares in the Company as well as in RVHL)
- White Pigeon Estate Private Limited (upto October 7, 2020)
- OKI Estate Private Limited (upto October 7, 2020)
- Panacea Life Sciences Limited (upto October 7, 2020)
- RHL (from September 11, 2020)

Notes forming part of the standalone financial statements for the year ended March 31, 2021

- RVHL (from September 11, 2020)
- Cabana Construction Private Limited (from September 11, 2020)
- Cabana Structures Limited (from September 11, 2020)
- Nirmala Buildwell Private Limited (from September 11, 2020)
- Nirmala Organic Farms & Resorts Private Limited (from September 11, 2020)
- Radicura Infra Limited (from September 11, 2020)
- Sunanda Infra Limited (from September 11, 2020)

(d) Relatives of key management personnel having transactions with the Company:

- Mr. Ashwani Jain, son-in-law of Mr. Soshil Kumar Jain
- Mr. Shagun Jain, son-in-law of Mrs. Sunanda Jain, (upto October 7, 2020)
- Mrs. Radhika Jain, daughter of Mrs. Sunanda Jain, (upto October 7, 2020)
- Mrs. Shilpy Jain, wife of Mr. Sumit Jain and daughter-in-law of Mrs. Sunanda Jain, (upto October 7, 2020)
- Mr. Harshet Jain, son of Dr. Rajesh Jain and brother of Mr. Ankesh Jain

B. Transactions with related parties:

(Rs. in million)

S. No.		Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Transactions made during the year			
	a)	Purchase of goods/materials		
		PanEra	0.40	0.18
		PBPL	933.26	199.93
	b)	Purchase of property, plant and equipment		
		PBPL	4.52	-
	c)	Sale of goods/material		
		PBGG	2.01	3.51
		PBPL	35.11	34.40
	d)	Reimbursement of expenses		
		PBPL	-	0.04
		RVHL	-	0.05
	e)	Recovery of expenses		
		PBPL	10.88	-
		RVHL	0.00	-
	f)	Rent expense		
		PBPL	5.91	0.43
		RHL	6.92	21.28
	g)	Rent income		
		Adveta	0.06	0.06
		CPV	0.36	0.36
		Meyten	0.04	-
		PanEra	0.16	0.16
		PBPL	77.70	12.14
		RHL	0.18	-
		RVHL	0.02	0.02
		Neophar	0.18	0.18
		Trinidhi	0.09	0.22
	h)	Interest income		
		PBS	6.77	8.28
		PBGG	22.30	27.34
		Meyten	0.00	-
	i)	Interest expense		
		RHL	20.76	23.34
		Mr. Soshil Kumar Jain	12.60	11.65
		Dr. Rajesh Jain	14.96	11.17
		Mrs. Sunanda Jain	2.05	2.05
		Trinidhi	-	0.16
	j)	Provision for doubtful allowance		
		PBS	6.77	8.28
		PBGG	22.30	27.34
		PanEra	-	43.63

(Rs. in million)

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
k)	Loan given		
	Meyten	0.20	0.10
l)	Slump Sale of Pharma Business		
	PBPL	-	0.10
m)	Investment in share capital		
	Meyten	-	0.10
	RVHL	-	0.10
n)	Short-term employee benefits		
	Mr. Soshil Kumar Jain	11.20	11.50
	Mrs. Sunanda Jain	2.79	5.49
	Dr. Rajesh Jain	7.42	7.54
	Mr. Sandeep Jain	6.95	6.82
	Mr. Sumit Jain	2.18	4.40
	Mr. Ankesh Jain	2.63	2.56
	Mr. Vinod Goel	5.37	5.37
	Mr. Devender Gupta	3.99	3.99
	Mr. Ashwani Jain	2.99	2.99
	Mrs. Radhika Jain	2.11	2.11
	Mr. Harshet Jain	0.69	0.66
n)	Post-employment benefits		
	Mr. Soshil Kumar Jain	17.15	16.69
	Dr. Rajesh Jain	9.46	6.75
	Mr. Sandeep Jain	8.60	6.14
	Mrs. Sunanda Jain	1.02	0.31
	Mr. Sumit Jain	2.75	1.84
	Mr. Ankesh Jain	0.80	0.54
	Mr. Vinod Goel	1.57	1.09
	Mr. Devender Gupta	0.91	0.60
	Mr. Ashwani Jain	2.00	1.40
	Mrs. Radhika Jain	0.58	0.41
	Mr. Harshet Jain	0.02	0.01
o)	Directors' sitting fees		
	Mr. R. L. Narasimhan	0.31	0.28
	Mr. N. N. Khamitkar	0.30	0.19
	Mr. K. M. Lal	0.32	0.26
	Mrs. Manjula Upadhyay	0.20	0.15
	Mr. Mukul Gupta	0.25	0.10
	Mr. Ashwini Luthra	0.25	0.20
	Mr. Bhupinder Singh	0.25	0.20
p)	Legal and professional expense		
	Mrs. Shilpy Jain	0.68	0.58
	Mr. Sumit Jain	1.00	-
	Mrs. Sunanda Jain	1.05	-
r)	Loan received		
	Dr. Rajesh Jain	52.00	-
s)	Repayment of borrowings		
	Trinidhi	-	3.38
t)	Excess managerial remuneration written off		
	Mr. Soshil Kumar Jain	-	38.94
	Mrs. Sunanda Jain	-	43.01
	Dr. Rajesh Jain	-	26.30
	Mr. Sandeep Jain	-	23.06
	Mr. Sumit Jain	-	15.35
	Mr. Ankesh Jain	-	7.31

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(Rs. in million)

S. No.		Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
II	Year end balances			
	a)	Loans		
		Meyten	0.30	0.10
		PBS	74.68	74.68
		PBGG	246.50	246.50
	b)	Borrowings		
		RHL	245.02	245.02
		Mr. Soshil Kumar Jain	125.21	125.20
		Dr. Rajesh Jain	172.02	120.02
		Mrs. Sunanda Jain	21.57	21.57
	c)	Interest accrued on loans		
		Meyten	0.00	-
		PBS	15.06	8.29
		PBGG	49.64	27.34
	d)	Interest accrued on borrowings		
		RHL	-	1.78
		Mr. Soshil Kumar Jain	22.14	10.48
		Dr. Rajesh Jain	23.89	10.05
		Mrs. Sunanda Jain	-	0.16
	e)	Allowance for doubtful loans (including accrued interest)		
		PBS	89.74	82.97
		PBGG	296.14	273.84
	f)	Trade receivables		
		PBGG	1.07	3.51
		PBPL	-	53.51
		Meyten	0.09	-
		RVHL	0.09	0.05
		Adveta	0.25	0.18
		CPV	-	0.06
		Trinidhi	0.10	-
		RHL	0.99	-
	g)	Advances to suppliers		
		PanEra	43.30	43.30
	h)	Allowance for doubtful receivable		
		PBGG	1.07	-
		PanEra	43.30	43.30
	i)	Provision for impairment for investment		
		PanEra	4.20	4.20
		PBS	34.36	34.36
	j)	Trade payables		
		PBGG	0.20	-
		PBPL	162.21	41.31
		RHL	8.90	4.26
		Mrs. Shilpy Jain	0.05	-
		Mr. Sumit Jain	0.20	-
		Mrs. Sunanda Jain	0.21	-
	k)	Investments		
		Adveta	0.90	0.90
		CPV	-	22.96
		Meyten	0.10	0.10
		PanEra	4.20	4.20
		PBPL	1.00	1.00
		PBS	34.36	34.36
		RHL	-	3,385.65
		RVHL	-	0.10

Note:

The Company will continue to provide necessary financial support to PBPL and Meyten as and when needed, so as to ensure they continue their operations as going concern in foreseeable future.

46 Assets mortgaged/ hypothecated as security for borrowings are as under:

(Rs. in million)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Non-current assets			
a) Property, plant and equipment	2.1	3,979.30	4,462.59
b) Capital work-in-progress	2.2	129.29	36.60
c) Investment properties	2.3	658.08	519.87
d) Other intangible assets	2.4	5.13	10.29
e) Intangible assets under development	2.5	0.38	0.81
f) Financial assets			
(i) Loans	4	11.52	11.16
(ii) Other financial assets	5	42.69	8.51
g) Other non-current assets	8	132.30	132.92
Total non-current assets		4,958.69	5,182.75
Current assets			
a) Inventories	9	870.37	992.26
b) Financial assets			
(i) Trade receivables	10	352.92	176.86
(ii) Cash and cash equivalents	11	86.56	149.15
(iii) Bank balances other than cash and cash equivalents	12	803.06	456.94
(iv) Loans	13	12.90	11.31
(v) Others financial assets	14	62.31	62.66
c) Other current assets	15	369.90	269.87
Total current assets		2,558.02	2,119.05
Assets classified as held for sale and discontinued operations	38	367.46	638.39
Total assets mortgaged/hypothecated as security		7,884.17	7,940.19

Notes:

(i) The above assets have been mortgaged/ hypothecated for securing the debt of the Company and/or PBPL.

(ii) The details of the immovable properties of the Company mortgaged in favour of Vistra (ITCL) India Limited (acting as trustee on behalf of the NCD holders, to secure the NCDs issued by the Company and subsequently novated in favour of PBPL w.e.f. February 1, 2020 are as under:

a) All parcels of land admeasuring 161 Bighas, 18 Biswas and 10 Biswasi situated at Village Samelheri, Tehsil Derabassi, District S.A.S. Nagar (Mohali), Punjab;

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

c) All parcels of land admeasuring 91 Bighas 1 Biswa (including 58 Bighas 6 Biswa transferred to PBPL vide deed of conveyance dated February 4, 2020), comprised in various Khewat/Khatoni Numbers situated at Village Malpur, Tehsil Baddi, District Solan, Himachal Pradesh;

d) Flat number 3, 4, 203 and 303 situated at Elite Heights Apartment, at municipal no. 6-3-1238/15/1 & 6-3-1238/16 survey no. 32/1, at Somajiguda, Hyderabad, Telangana;

e) Industrial plot no. A-24, A-25 and A-27 having land measuring 718.92 sq. yds. each at Block B-1 Extension and Industrial plot no. E-12 having land measuring 1,372.52 sq. yds. at Block B-1, situated at Mohan Co-operative Industrial Estate, Mathura Road, New Delhi;

f) 80 flats, i.e., 20 flats comprising in block A-2 bearing no: 101 to 104, 201 to 201, 301 to 304, 401 to 404 & 501 to 504 each having super area 1495 sqft and 60 flats in block B-10, B-11, B-12 bearing no. 101 to 104, 201 to 201, 301 to 304, 401 to 404 & 501 to 504 each having super area 1161 sqft (30 flats) and super area 1186 sq. ft. (30 flats) in building built on land measuring 28 bigha 11 biswa in khewat khatoni no: 89/91 comprised in khasra no: 1747 (4-12), khewat khatoni no: 168/194 khasra no: 1970/1746 (1-15), 1971/1746 (3-0), 1748 (9-0) khewat khatoni no: 339/333 khasra no: 1749 (4-11), 1750 (5-13), kitas 6, village Bhatoli Kalan, Hadbast no. 214, Pargna Dharampura, Tehsil Baddi, District Solan, H.P.

g) Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri (East), Mumbai;

h) Residential premises no. 703, 704, 903, 904 and 1001 to 1004 in wing "B" of Sagar Heights Building F; and Commercial premises no. 707 to 712, 714 to 718, 808 to 812 and 814 to 818 in Sagar Tech Plaza- Building A, all situated at CTS no . 721/A, 721B, & 721/1 survey no: 14,15,2052, at village Mohili, Andheri Kurla Road, Andheri (East), Mumbai; and

i) Industrial plot no. Gen-72/3, land measuring 5518 sqmts in the Trans Thane Creek Industrial Area, Navi Mumbai.

Notes forming part of the standalone financial statements for the year ended March 31, 2021

(iii) The NCDs are additionally secured by way of:

a) personal guarantees of Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain, directors of the Company;

b) pledge of 42,491,696 (March 31, 2020: 39,776,227) equity shares of the Company held by the promoters and promoter group members;

c) pledge of equity shares of PBPL held by the Company; and

d) corporate guarantee of the Company.

47 Employee benefits obligations

A. Defined benefit plan

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Salary increases:	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk:	If plan is funded than assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate risk:	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability risk:	Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals risk:	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Gratuity (funded)

The Company provides for gratuity for employees in India as per the Payments of Gratuity Act, 1972 to employees who are in continuous service for a period of 5 years. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan, the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 13.93 years (March 31, 2020: 13.27 years).

The Company expects to contribute Rs. 14.38 million (March 31, 2020: Rs. 14.32 million) towards gratuity during next year.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(Rs. in million)

Particulars		As at March 31, 2021	As at March 31, 2020
a.	Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
	Present value of defined benefit obligation as at the end of the year	112.26	107.97
	Fair value of plan assets as at the end of the year	41.20	22.42
	Net liability position recognised in balance sheet*	71.06	85.55
	* includes Rs. Nil (March 31, 2020: Rs. 4.25 million) pertaining to discontinued operations		
b.	Changes in defined benefit obligation		
	Present value of defined benefit obligation as at the start of the year	107.97	231.76
	Acquisition/ business transfer adjustment	-	(115.42)
	Interest cost	7.31	8.91
	Current service cost	8.74	8.37
	Past service cost	0.80	-
	Benefits paid	(10.44)	(6.69)
	Actuarial (gain) on defined benefit obligations	(2.12)	(18.96)
	Present value of defined benefit obligation as at the end of the year	112.26	107.97

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
c.	Net interest cost		
	Interest cost on defined benefit obligation	7.31	8.91
	Interest income on plan assets	1.52	1.32
	Net interest cost	5.79	7.59
d.	Amount recognised in the statement of profit and loss		
	Current service cost	8.74	8.37
	Net interest cost	5.79	7.59
	Amount recognised in the statement of profit and loss	15.33	15.96
e.	Change in plan assets		
	Fair value of the plan assets at the beginning of the year	22.42	38.06
	Employer contribution	6.26	9.23
	Actual return on plan assets	2.82	1.55
	Adjustment in opening funds	17.67	-
	Business transfer adjustment	-	(20.77)
	Fund management charges	(0.25)	(0.28)
	Benefits paid for eligible employees	(7.84)	(5.37)
	Fair value of the plan assets at the end of the year	41.08	22.42
f.	Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity:		
	Investment with insurer	100%	100%
g.	Other comprehensive income:		
	Actuarial loss arising from change in demographic assumption	-	-
	Actuarial gain arising from change in financial assumption	-	(8.39)
	Actuarial gain arising from experience adjustment	(2.10)	(10.57)
	Actuarial gain arising on plan assets	(18.84)	0.06
	Total actuarial gain for the year	(20.94)	(18.90)
h.	Actuarial assumptions:		
	Discount rate	6.76%	6.76%
	Future salary increase	6.00%	6.00%
i.	Demographic Assumption:		
	Retirement age (years)	60	60
	Mortality rates inclusive of provision for disability	1	1
	Withdrawal Rate (%)		
	Ages		
	Up to 30 years	10.00	10.00
	From 31 to 44 years	5.00	5.00
	Above 44 years	1.00	1.00
j.	Sensitivity analysis for gratuity liability:		
	Impact of the change in discount rate		
	a) Impact due to increase of 0.50%	(4.69)	(4.74)
	b) Impact due to decrease of 0.50%	5.07	5.15
	Impact of the change in salary increase		
	a) Impact due to increase of 0.50%	4.44	4.52
	b) Impact due to decrease of 0.50%	(4.19)	(4.23)
k.	Maturity profile of defined benefit obligation:		
	Within next 12 months	26.45	28.91
	Between 1-5 years	35.61	79.06
	Beyond 5 years	50.20	-

B. The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the said period.

Notes forming part of the standalone financial statements for the year ended March 31, 2021

C. Defined contribution plans

The Company's contribution to state governed provident fund, employees' state insurance and labour welfare fund schemes are considered as defined contribution plans. The contribution for the current year is Rs.17.32 million (March 31, 2020: Rs. 14.90 million) and under the schemes is recognised as an expense, when an employee renders the related service. There are no other obligations of the Company, other than the contribution payable to the respective funds.

48 Fair value measurements

A. Financial assets and liabilities

The carrying amounts and fair values of financial instruments by class are as follows:

(Rs. in million)

As at March 31, 2021		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets				
(i)	Investments	0.70	-	-
(ii)	Trade receivables	-	-	352.92
(iii)	Cash and cash equivalents	-	-	86.56
(iv)	Bank balances other than cash and cash equivalents	-	-	803.06
(v)	Loans	-	-	24.42
(vi)	Others financial assets	-	-	105.00
Total		0.70	-	1,371.96
Financial Liabilities				
(i)	Borrowings	-	-	650.82
(ii)	Trade payables	-	-	1,240.60
(iii)	Other financial liabilities	-	-	69.46
Total		-	-	1,960.88

(Rs. in million)

As at March 31, 2020		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets				
(i)	Investments	0.70	-	-
(ii)	Trade receivables	-	-	176.86
(iii)	Cash and cash equivalents	-	-	149.15
(iv)	Bank balances other than cash and cash equivalents	-	-	456.94
(v)	Loans	-	-	22.47
(vi)	Others financial assets	-	-	71.17
Total		0.70	-	876.59
Financial Liabilities				
(i)	Borrowings	-	-	672.45
(ii)	Trade payables	-	-	1,358.96
(iii)	Other financial liabilities	-	-	44.95
Total		-	-	2,076.36

Investment in subsidiaries and joint venture amounting to Rs. 40.56 million (March 31, 2020: Rs. 3,449.27 million) are measured at cost as per Ind AS 27, 'Separate Financial Statements' and hence, not presented here.

B. Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The different levels of fair value have been defined below:

Level 1: Quoted prices (unadjusted) in an active market for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. in million)

As at March 31, 2021	Level 1	Level 2	Level 3
Investments	-	0.70	-
As at March 31, 2020			
Investments	-	0.70	-

49 Financial risk management

Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A. Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counter parties and incorporates this information into its credit risk controls.

A.1 Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset Company	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or 12 month expected credit loss*
High credit risk	Trade receivables and loans	Life time expected credit loss or fully provided for

*In respect of trade receivables, the Company recognises a provision for lifetime expected credit losses

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(Rs. in million)

Particulars	Credit rating	**As at March 31, 2021**	As at March 31, 2020
Cash and cash equivalents	A: Low credit risk	86.56	149.15
Bank balances other than cash and cash equivalents	A: Low credit risk	803.06	456.94
Loans	A: Low credit risk	24.42	22.47
Other financial assets	A: Low credit risk	105.00	71.17
Trade receivables	B: Medium credit risk	352.92	176.86
Trade receivables	C: High credit risk	24.62	6.39
Loans	C: High credit risk	971.04	941.97

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become two year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to related parties and employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

A.2 Expected credit losses for financial assets other than trade receivables

The Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Company is in possession of the underlying asset. However, in respect of loans comprising loans to related parties, credit risk is evaluated on the basis of credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised (except in case of loans to related parties) on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

As at March 31, 2021 (Rs. in million)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	86.56	0.00%	-	86.56
Bank balances other than cash and cash equivalents	803.06	0.00%	-	803.06
Loans to:				
- related parties	971.34	99.97%	971.04	0.30
- others	24.12	0.00%	-	24.12
Other financial assets	105.00	0.00%	-	105.00

As at March 31, 2020 (Rs. in million)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	149.15	0.00%	-	149.15
Bank balances other than cash and cash equivalents	456.94	0.00%	-	456.94
Loans to:				
- related parties	942.07	99.99%	941.97	0.10
- others	22.37	0.00%	-	22.37
Other financial assets	71.17	0.00%	-	71.17

Reconciliation of loss allowance (Rs. in million)

Particulars	Amount
Loss allowance as on April 1, 2019	659.85
Expected loss recognised/(reversed) during the year	282.12
Loss allowance as on March 31, 2020	941.97
Expected loss recognised/(reversed) during the year	29.07
Loss allowance as on March 31, 2021	971.04

A.3 Expected credit loss for trade receivables under simplified approach

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein the Company has defined percentage of provision by analysing historical trend of default relevant to each category of customer based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). The Company has other trade receivables for Rs. 169.91 million (March 31, 2020: Rs. 50.28 million) against which it is carrying unsecured payables for corresponding amount for whose default criteria are not met and are not included in the below table.

As at March 31, 2021 (Rs. in million)

Particulars	Not Due	Post Due Date						Total
		0-30 days post due	31-90 days post due	91-182 days post due	183-365 days post due	366-730 days post due	More than 730 days post due	
Gross carrying amount	142.87	36.14	-	1.17	3.86	-	23.59	207.63
Expected loss rate	0.36%	0.48%	0.00%	7.20%	6.70%	0.00%	100.00%	11.86%
Expected credit loss	0.51	0.17	-	0.08	0.26	-	23.59	24.62
Carrying amount (net of impairment)	142.36	35.97	-	1.09	3.60	-	-	183.01

As at March 31, 2020 (Rs. in million)

Particulars		Post Due Date						Total
	Not Due	0-30 days post due	31-90 days post due	91-182 days post due	183-365 days post due	366-730 days post due	More than 730 days post due	
Gross carrying amount*	74.25	20.44	30.80	0.12	-	1.19	6.17	132.97
Expected loss rate	0.05%	0.42%	0.23%	0.24%	1.72%	2.20%	100.00%	4.80%
Expected credit loss**	0.03	0.09	0.07	0.00	-	0.03	6.17	6.39
Carrying amount (net of impairment)	74.22	20.35	30.73	0.12	-	1.16	-	126.58

* including gross carrying amount of Rs. 512.39 million pertaining to discontinued operations.

** ECL provision of Rs. 52.15 million pertaining to discontinued operations.

Changes in allowance for trade receivables (Rs. in million)

Particulars	Amount
As at April 1, 2019	64.91
Movement during the year	(58.52)
As at March 31, 2020	6.39
Loss recognised/(reversed) during the year	18.23
As at March 31, 2021	24.62

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

B.1 Contractual maturities of financial liabilities

The tables below analyse the Company’s financial liabilities based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2021 (Rs. in million)

Particulars		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Borrowings including interest thereon	56.33	32.70	32.25	936.63	1,057.91
(ii)	Trade payables	1,240.60	-	-	-	1,240.60
(iii)	Other financial liabilities	0.98	-	-	-	0.98
	Total	1,297.91	32.70	32.25	936.63	2,299.49

As at March 31, 2020 (Rs. in million)

Particulars		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	Borrowings including interest thereon	123.25	52.29	39.50	825.40	1,040.44
(ii)	Trade payables	1,358.96	-	-	-	1,358.96
(iii)	Other financial liabilities	0.93	-	-	-	0.93
	Total	1,483.14	52.29	39.50	825.40	2,400.33

Notes forming part of the standalone financial statements for the year ended March 31, 2021

C. Market risk

(I) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate related primarily to the Company's non-current and current debt obligations financed with fixed interest rate. The Company always try to ensure minimum cash outlfows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility.

In view of above, the Company is not exposed to fluctuations in interest rate risk on borrowings.

(II) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, JPY, CAD, GBP, KZT, RUB, CHF and THB. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. The Company does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

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

Particulars in Foreign currency	As at March 31, 2021			As at March 31, 2020		
	Amount in foreign currency	Closing rate	Amount in reporting currency (Rs. in million)	Amount in foreign currency	Closing rate	Amount in reporting currency (Rs. in million)
Financial assets						
Balance with banks						
United States Dollar (USD)	210,003	73.11	15.35	10,415	75.55	0.79
Kazakhstan Tenge (KZT)	52,110	0.21	0.01	52,110	0.21	0.01
Russian Rouble (RUB)	-	-	-	4,431	0.96	0.00
Interest receivable						
United States Dollar (USD)	397,522	73.10	29.06	471,531	75.55	35.62
Investment in subsidiaries						
Swiss Franc (CHF)	632,911	54.29	34.36	632,911	54.29	34.36
Loan to subsidiaries						
United States Dollar (USD)	18,034,325	52.23	941.93	17,562,794	52.54	922.72
Foreign trade receivable						
Euro (EUR)	1,656,809	85.77	142.10	206,671	83.09	17.17
United States Dollar (USD)	2,719,907	73.10	198.83	1,232,023	75.55	93.08
Financial liabilities						
Foreign trade payable						
United States Dollar (USD)	2,511,826	73.11	183.64	1,680,921	75.58	127.04
Euro (EUR)	998,155	85.83	85.67	1,124,641	83.14	93.50
Pound Sterling (GBP)	35,002	100.86	3.53	35,673	93.60	3.34
Japanese Yen (JPY)	2,722,810	0.66	1.80	2,722,810	0.70	1.91
Swedish Krona (SEK)	16,820	8.38	0.14	16,820	7.63	0.13
Canadian Dollar (CAD)	43,428	58.26	2.53	6,828	53.60	0.37
Thai Baht (THB)	5,547	2.34	0.01	5,547	2.30	0.01
Net exposure						
United States Dollar (USD)	18,849,930	-	1,001.53	17,595,842	-	925.17
Euro (EUR)	658,654	-	56.43	(917,970)	-	(76.33)
Pound Sterling (GBP)	(35,002)	-	(3.53)	(35,673)	-	(3.34)
Swiss Franc (CHF)	632,911	-	34.36	632,911	-	34.36
Russian Rouble (RUB)	-	-	-	4,431	-	0.00
Thai Baht (THB)	(5,547)	-	(0.01)	(5,547)	-	(0.01)
Swedish Krona (SEK)	(16,820)	-	(0.14)	(16,820)	-	(0.13)
Canadian Dollar (CAD)	(43,428)	-	(2.53)	(6,828)	-	(0.37)
Kazakhstan Tenge (KZT)	52,110	-	0.01	52,110	-	0.01
Japanese Yen (JPY)	(2,722,810)	-	(1.80)	(2,722,810)	-	(1.91)

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

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

(Rs. in million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	+/(-) in basis points	Profit/(Loss) for the year	+/(-) in basis points	Profit/(Loss) for the year
United States Dollar (USD)	+ 200	13.03	+ 200	12.04
	- 200	(13.03)	- 200	(12.04)
Euro (EUR)	+ 500	1.84	+ 500	(2.48)
	- 500	(1.84)	- 500	2.48
Pound Sterling (GBP)	+ 500	(0.11)	+ 500	(0.11)
	- 500	0.11	- 500	0.11
Japanese Yen (JPY)	+ 200	(0.02)	+ 200	(0.02)
	- 200	0.02	- 200	0.02
Swiss Franc (CHF)	+ 200	0.45	+ 200	0.45
	- 200	(0.45)	- 200	(0.45)

50 Capital management policies

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position recognised in other comprehensive income.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follows:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrowings including interest accrued on borrowings	719.30	680.79
Current borrowings	-	35.68
Less: Cash and cash equivalents	(86.56)	(149.15)
Net debt	632.74	567.32
Total equity	5,081.66	8,927.33
Net debt to equity ratio	12.45%	6.35%

51 Reconciliation of liabilities arising out of financing activities

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

For the year ended March 31, 2021 (Rs. in million)

Particulars	Long term borrowings*	Short term borrowings	Total
As at April 1, 2020	636.77	35.68	672.45
Cash changes:			
- Proceeds	52.00	-	52.00
- Repayment	(43.46)	(35.68)	(79.14)
Other non-cash changes			
- Notional interest expense recorded on less than market rate loans and others (net)	5.51	-	5.51
As at March 31, 2021	650.82	-	650.82

*including current maturities of long term borrowings

Notes forming part of the standalone financial statements for the year ended March 31, 2021

For the year ended March 31, 2020 (Rs. in million)

Particulars	Long term borrowings*	Short term borrowings	Total
As at April 1, 2019	6,192.92	693.85	6,886.77
Cash changes:			
- Proceeds	7,430.00	-	7,430.00
- Repayment	(5,608.57)	(658.17)	(6,266.74)
Other non-cash changes			
- debt written back	(176.80)	-	(176.80)
- Transfer of debt pursuant to slump sale of pharma business	(7,124.31)	-	(7,124.31)
- Notional interest expense recorded on less than market rate loans and others (net)	(76.47)	-	(76.47)
As at March 31, 2020	636.77	35.68	672.45

*including current maturities of long term borrowings

52 During the year ended March 31, 2020, the Company had:

a) signed investment agreement with India Resurgence Fund ('IndiaRF'), promoted by Piramal Enterprises Limited and Bain Capital Credit, along with its affiliates ("Investors") for obtaining long term funds of upto Rs. 9,920 million, consequent to approval from shareholders in general meeting held on March 25, 2019. This investment was structured by way of subscription to Non-Convertible Debentures ('NCDs') of up to Rs. 8,640 million and subscription amount of Rs. 320 million towards share warrants to be allotted on a preferential basis. The subscription amount represented 25% of total amount of Rs. 1,280 million proposed to be raised upon issuance of equity shares against warrants as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'). Upon exercise of conversion rights in the warrants, IndiaRF (along with its affiliates) would have collectively owned 10.4% stake in the equity share capital of the Company on a fully diluted basis;

b) issued and allotted 74,300 unrated, unlisted, redeemable NCDs, having the face value of Rs. 1 lakh each, aggregating to Rs. 7,430 million under Series 1A, Series 1B and Series 2 NCDs to the Investors; The NCD Series 1A had maturity period of 12 months, Series 1B 60 months and Series 2 18 months from the date of allotment. The NCDs were secured by way of first pari-passu charge over entire fixed assets and current assets of the Company. The NCDs were additionally secured by way of (i) personal guarantees of Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain; (ii) pledge of 39,776,227 equity shares held by the promoters and promoter group members; and (iv) pledge of equity shares of PBPL held by the Company;

c) issued and allotted 7,111,111 convertible share warrants (Share Warrants) at a price of Rs. 180 each on a preferential basis to the Investors, entitling them to subscribe to an equivalent number of equity shares of face value of Re. 1 each at a premium of Rs. 179 per share as per the provisions of Chapter V of ICDR Regulations; and

d) Pursuant to the transfer of Company's pharmaceutical formulations business to its wholly-owned subsidiary, Panacea Biotec Pharma Limited ('PBPL') as a going concern by way of slump sale, the above NCDs have been extinguished and novated in PBPL as a part of the transfer of said business.

During the financial year 2020-21, the Share warrants have stood cancelled as the Investors did not exercise the conversion option within the stipulated time.

On April 6, 2021, PBPL and its debenture-holders have signed necessary amendment agreement to revise the Maturity Date of Series 1A NCDs from April 7, 2020 to June 7, 2021. PBPL is in advanced discussion with the Debenture holders to consider further extension, if required.

During the financial year 2020-21, the promoters and promoter group members have further pledged 2,715,469 equity shares taking to total pledged equity shares to 42,491,696 (March 31, 2020: 39,776,227).

53 For the financial year ended March 31, 2021, the Company has incurred loss (before tax and exceptional items) of Rs. 128.52 million (year ended March 31, 2020: loss of Rs. 635.28 million) from the continuing operations. The Company has already taken various measures aimed at improving the financial condition of the Company, inter-alia, collaborating with Limited Liability Company Human Vaccine, an indirect subsidiary of Russian Direct Investment Funds ('RDIF'), Russia's sovereign wealth fund, for producing Covid-19 vaccine 'Sputnik-V', ongoing discussion between PBPL and its debenture-holders as mentioned in note 52 above, raising of funds from the investors, deployed funds received from the investor for suitable purpose including scaling up its vaccine as well as pharmaceutical formulations business in India and international markets, besides expediting development of new products and monetization of non-core assets to reduce debts. Based on these measures and continuous efforts to improve the business performance, the management believes that it would be able to generate sustainable cash flows, recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and has therefore concluded that the going concern assumption continues to be valid.

54 In view of the Company's decision to make the structure of overseas subsidiaries more efficient and aligned to business objectives and to save management and administrative expenses thereof, the Company has decided to wind up Panacea Biotec (International) SA ("PBS") in due course. Accordingly, the Company has created 'Provision for impairment on its investment in PBS. Owing to accumulated losses in PBS and its wholly-owned subsidiary, Panacea Biotec Germany GmbH (PBGG), the Company has continued to maintain the provision for bad and doubtful advances in respect of the loans receivable and accrued interest from PBS and PBGG also amounting to Rs. 89.73 million and Rs. 296.14 million, respectively, as on March 31, 2021 (March 31, 2020: Rs. 82.97 million and Rs. 273.84 million, respectively). The Company has applied with the authorized dealer to seek permission from Reserve Bank of India for writing off an amount of Rs.585.16 million which receivable from the Company's wholly owned subsidiary Rees Investment Ltd., which was compulsory liquidated and dissolved by the authorities of Guernsey on May 23, 2019. Pending such approval, the Company is continuing to maintain the provision for bad and doubtful advances of Rs. 585.16 million (March 31, 2020: Rs. 585.16 million) in respect of the loan and accrued interest receivable from Rees.

55 In accordance with Ind AS 108, 'Operating Segments', the Company has disclosed the segment information in the consolidated financial statements. Accordingly, the segment information is given in the audited consolidated financial statements of the Group for the year ended March 31, 2021.

56 0.00 under "Rs. in million" represents amount less than Rs. 50,000 and 0.00 under units represents units less than 50,000. Further, the figures shown in the tables may not exactly add up due to rounding off. Previous year figures have been regrouped, reclassified wherever considered necessary.

As per our report of even date

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

Arun Tandon
Partner
Membership No. 517273

Place : New Delhi
Date : June 2, 2021

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

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

FORM NO. AOC-1

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

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

Part A : Subsidiaries

Financial Details of Subsidiary Companies

(Rs. in million)

S. No.	Name of the Company	Reporting period of the subsidiary, if different from parent	Reporting currency	Exchange rate as on Balance Sheet date	As on March 31, 2021					For the year/period ended March 31, 2021					% of Share Holding as on March 31, 2021
					Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of investment (except in case of investment in subsidiary)	Turnover (including other income)	Profit/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	
1	2	3	4		5	6	7	8	9	10	11	12	13	14	15
1	Radhika Heights Ltd.$	31.03.2021	INR	1.00	-	-	-	-	-	3.5	7.8	6.7	1.1	-	
2	Cabana Construction Pvt. Ltd. *$	31.03.2021	INR	1.00	-	-	-	-	-	-	0.0	0.0	0.0	-	
3	Cabana Structures Ltd. *$	31.03.2021	INR	1.00	-	-	-	-	-	-	0.0	0.0	0.0	-	
4	Nirmala Buildwell Pvt. Ltd.*$	31.03.2021	INR	1.00	-	-	-	-	-	-	(0.6)	-	(0.6)	-	
5	Nirmala Organic Farms & Resorts Pvt. Ltd*$	31.03.2021	INR	1.00	-	-	-	-	-	-	(0.2)	-	(0.2)	-	
6	Radicura Infra Ltd. *$	31.03.2021	INR	1.00	-	-	-	-	-	-	(0.8)	-	(0.8)	-	
7	Sunanda Infra Ltd. *$	31.03.2021	INR	1.00	-	-	-	-	-	-	0.0	0.0	0.0	-	
8	PanEra Biotec Private Limited #	31.03.2021	INR	1.00	8.4	(68.3)	42.0	101.9	25.7	0.4	1.2	0.5	0.8	-	50%
9	Adveta Power Private Limited**#	31.03.2021	INR	1.00	1.8	(1.2)	29.3	28.7	-	-	(0.1)	-	(0.1)	-	50%
10	Panacea Biotec Pharma Limited	31.03.2021	INR	1.00	1.0	(7,459.3)	3,967.7	11,426.0	-	3,448.9	(1,411.5)	0.1	(1,411.6)	-	100%
11	Ravinder Height Ltd.$	31.03.2021	INR	1.00	-	-	-	-	-	-	-	-	-	-	
12	Meyten Realtech Pvt. Ltd.	31.03.2021	INR	1.00	0.1	(0.8)	0.3	1.0	-	-	0.7	-	0.7	-	100%
13	Panacea Biotec (International) SA	31.03.2021	CHF	77.49	46.5	(157.9)	23.4	134.8	-	-	17.0	(0.0)	17.0	-	100%
14	Panacea Biotec Germany GmbH***	31.03.2021	Euro	85.78	21.1	(223.1)	563.3	765.3	-	341.9	76.7	0.0	76.7	-	100%

* Indirect subsidiary through Radhika Heights Limited

** Indirect subsidiary through PanEra Biotec Private Limited

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

$ Ceases to be Subsidiary due to demerger w.e.f September 10, 2020

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

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in million)

	Name of Associates/Joint Ventures	Joint Venture Chiron Panacea Vaccines Pvt. Ltd. (Under Liquidation)
1.	Latest audited Balance Sheet Date	31.03.2021
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	Number	Note-A
	Amount of Investment in Associates/Joint Venture (Rs. million)	Nil
	Extent of Holding %	50%
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	0.00
6.	Profit/Loss before tax for the year	
	i. Considered in Consolidation	7.77
	ii. Not Considered in Consolidation	7.77

Note: On September 3, 2013, shareholders of Company passed a Special Resolution for the Voluntary winding up of the Company, accordingly all the assets of the Company were realized and after paying off the liabilities, surplus was distributed among the shareholders on January 14, 2021.

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

Soshil Kumar Jain
Chairman
(DIN 00012812)

Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of Panacea Biotec Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Panacea Biotec Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint ventures, as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, and joint venture the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and joint venture, as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	**How our audit addressed the key audit matter**
Revenue recognition Refer note 1.4 (k) and note 28 of Notes to the consolidated financial statements and other explanatory information of the Group for the year ended 31 March 2021. The Group recognises revenue from the sales of products when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. The Group has a large number of customers operating in various geographies and the sales contracts / arrangements with various customers have distinct commercial terms, including Incoterms that determine the timing of transfer of control and require judgment in determining timing of revenue recognition as per Ind AS 115, Revenue from Contracts with Customers. We have identified the recognition of revenue from sale of products as a key audit matter because revenue is a key performance indicator for the Group and there is risk of revenue being overstated due to the pressure to achieve targets or earning expectations.	Our audit procedures in relation to the recognition of revenue included, but were not limited to, the following: • Obtained an understanding of the Group's process of revenue recognition and read customer contracts on sample basis; • Evaluated the design, tested the operating effectiveness of the Group's internal controls over recognition and measurement of revenue in accordance with underlying customer contracts and accounting policies; • Performed substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during and after the year and verified the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents; • Performed substantive analytical procedures during the audit period to identify any unusual trends warranting additional audit procedures; • Obtained direct balance confirmations from customers on a sample basis as at the year-end or performed alternate audit procedures where such confirmations could not be obtained; and • Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements of the Group in accordance with the applicable accounting standards.

Independent Auditors' Report on the Consolidated Financial Statements

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Evaluation of Going concern basis of accounting
Refer note 55 to the accompanying consolidated financial statements.
The Group has incurred loss before tax amounting to Rs. 1,442.46 million for the year ended 31 March 2021 from continuing operations and the Group has not paid non-convertible debentures of Series- 1A which was due on 7 April 2020 for which an extension has been provided by the debenture holders subsequent to the year ended 31 March 2021.
As mentioned in aforesaid Note 55, the Group has taken the following mitigating factors in its assessment of going concern basis of accounting:

Holding Company collaborating with Russian Direct Investment Funds ('RDIF'), Russia's sovereign wealth fund for producing Covid-19 vaccine Sputnik-V/Sputnik Light;
Raising of additional funds by the Holding Company;
Monetization of non-core assets by the Holding Company;
Increased operational measures towards vaccine and pharmaceutical formulation business segment; and
Advanced discussions with the debenture holders for further extension of the maturity date of debentures.

Management has prepared a cash flow forecast for next twelve months which requires the exercise of significant management judgment and estimations in assessing the key variables, particularly in relation to the specific forecasts of the Group's revenue, operating and capital expenditure including the plan to meet the financial obligations of the Group.
The Group has performed a sensitivity analysis of the key assumptions used therein to assess whether the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least next twelve months from the end of the current reporting date and concluded that the going concern basis of accounting used for the preparation of accompanying consolidated financial statements is appropriate with no material uncertainties.
We have considered the assessment of Group's ability to continue as a going concern as a key audit matter for the current year audit due to the pervasive impact thereof on the consolidated financial statements and such assessment of Group's ability to continue as a going concern being dependent upon significant judgments and assumptions in relation to future cash flows which are inherently subjective and dependent on future events.
</td><td>
Our audit procedures included, but were not limited to, the following in relation to the assessment of appropriateness of going concern basis of accounting:

Obtained an understanding of the management's process for identifying all the events or conditions that could impact the Group's ability to continue as a going concern and the process followed to assess the mitigating factors for such events or conditions. Also, obtained an understanding around the methodology adopted by the Group to assess their future business performance, prepare a robust cash flow forecast;
Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors and controls around cash flow forecast prepared by the management;
Obtained the cash flow forecast for next twelve months from the management and reconciled to the future business plan of the Group as approved by the Holding Company's Board of Directors;
In order to corroborate management's future business plans and to identify potential contradictory information, read the minutes of the Board of Directors and discussed the same with the management and Audit Committee;
Tested the appropriateness of key assumptions adopted by the management in preparation of the cash flow forecasts such as growth rates, new revenue contracts considered in such projections, expenditure on new products and tested the reasonableness of these assumptions used based on our knowledge and understanding of the business, actual historical results and external data as the case may be;
Performed detailed inquiries with the management on appropriateness of the assumptions used in the cash flow forecasts around new revenue contracts and the plan for commercial production for fulfilling such revenue contracts;
Obtained and read the debenture trust deed entered with respect to non-convertible debentures of the Group including the extension provided during the current year and corroborated management's representation of further extension of maturity dates for the installments falling due in next 12 months;
Obtained the sensitivity analysis prepared by management and also performed independent sensitivity analysis to test the impact of variation on the cash flows due to change in key assumptions; and
Evaluated the appropriateness and adequacy of the going concern disclosures, in the consolidated financial statements of the Group in accordance with the applicable reporting framework.

</td></tr>
</table>

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

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and the joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of the Group or its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditors' Report on the Consolidated Financial Statements

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of 5 subsidiaries, whose financial statements reflects total assets of Rs. 637.47 million and net assets of Rs.(394.26) million as at 31 March 2021, total revenues of Rs. 344.63 million and net cash inflows amounting to Rs.179.62 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 0.77 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. We did not audit the financial statements of 8 subsidiaries, whose financial statements reflects total assets of Rs. Nil and net assets of Rs. Nil as at 31 March 2021, total revenues of Rs. 19.81 million and net cash outflows amounting to Rs.1.09 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries and joint venture, we report that the Holding Company and its subsidiaries covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, and joint venture, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and joint venture company covered under the Act, none of the directors of the Group companies and its joint venture covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, and joint venture:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its joint venture as detailed in Note 41 to the consolidated financial statements;

   ii. the Group and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture covered under the Act, during the year ended 31 March 2021; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Arun Tondon
Partner
Membership No.: 517273
UDIN No.: 21517273AAAACE8554

Place : New Delhi
Date : 2 June, 2021

Annexure A

List of Subsidiaries and Joint Venture included in the Consolidated Financial Statements of Panacea Biotec Limited for the year ended 31 March 2021

Name of the Entity	Nature of Relationship
Panacea Biotec Limited	Holding Company
Panacea Biotec Pharma Limited	Subsidiary Company
Panacea Biotec (International) SA	Subsidiary Company
PanEra Biotec Private Limited	Subsidiary Company
Meyten Realtech Private Limited	Subsidiary Company
Radhika Heights Limited	Subsidiary (Ceased to be subsidiary from 10 September 2020)
Ravinder Heights Limited	Subsidiary (Ceased to be subsidiary from 10 September 2020)
Adveta Power Private Limited	Step down Subsidiary Company
Panacea Biotec Germany GmbH	Step down Subsidiary Company
Cabana Construction Private Limited	Step down subsidiary (Ceased to be subsidiary from 10 September 2020)
Cabana Structures Private Limited	Step down subsidiary (Ceased to be subsidiary from 10 September 2020)
Nirmala Buildwell Private Limited	Step down subsidiary (Ceased to be subsidiary from 10 September 2020)
Nirmala Orqanic Farms and Resorts Private Limited	Step down subsidiary (Ceased to be subsidiary from 10 September 2020)
Radicura Infra Limited	Step down subsidiary (Ceased to be subsidiary from 10 September 2020)
Sunanda Infra Limited	Step down subsidiary (Ceased to be subsidiary from 10 September 2020)
Chiron Panacea Vaccines Private Limited (under liquidation)	Joint venture

Independent Auditors' Report on the Consolidated Financial Statements

Annexure B

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Panacea Biotec Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its joint venture as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, and its joint venture, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint venture as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and its joint venture, the Holding Company, its subsidiary companies, and joint venture, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on "the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 3 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 71.56 million and net liabilities of Rs. 60.03 million as at 31 March 2021, total revenues of Rs. 2.46 million and net cash inflows amounting to Rs. 0.02 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 0.77 million for the year ended 31 March 2021, in respect of 1 joint venture, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its joint venture, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 8 subsidiaries, which are companies covered under the Act, whose financial statements reflect total assets of Rs. Nil and net assets of Rs. Nil as at 31 March 2021, total revenues of Rs. 19.81 million and net cash outflows amounting to Rs. 1.09 million for the year ended on that date. The internal financial controls with reference to financial statements of these subsidiary companies, which are companies covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the aforesaid subsidiaries, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management of such companies. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management.

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

Arun Tandon
Partner
Membership No.: 517873
UDIN No.: 21517273AAAACE8554

Place: New Delhi
Date : 2 June, 2021

Panacea Biotec
Innovation in support of life

Consolidated Balance Sheet as at March 31, 2021

(Rs. in million)

Particulars	Note No.	**As at March 31, 2021**	As at March 31, 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	6,066.53	6,555.24
b) Capital work-in-progress	2.2	212.41	95.06
c) Other intangible assets	2.3	20.45	18.62
d) Intangible assets under development	2.4	131.76	145.01
e) Investments accounted for using the equity method	54	-	55.11
f) Financial assets			
(i) Investments	3	0.70	0.70
(ii) Loans	4	12.20	12.05
(iii) Other financial assets	5	56.08	5.96
g) Deferred tax assets (net)	6	1.47	19.47
h) Income tax assets (net)	7	38.46	28.52
i) Other non-current assets	8	138.38	134.55
Total non-current assets		6,678.44	7,070.29
Current assets			
a) Inventories	9	1,741.37	1,476.91
b) Financial assets			
(i) Trade receivables	10	846.84	685.19
(ii) Cash and cash equivalents	11	520.79	402.18
(iii) Bank balances other than cash and cash equivalents	12	837.14	495.33
(iv) Loans	13	42.94	43.55
(v) Other financial assets	14	106.08	62.66
c) Other current assets	15	647.10	429.15
Total current assets		4,742.26	3,594.97
Assets classified as held for sale and discontinued operations	38	367.46	3,237.74
Total assets		11,788.16	13,903.00
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	61.25	61.25
b) Other equity	17	(2,348.18)	1,926.62
Equity attributable to owners of Holding Company		(2,286.93)	1,987.87
Non-controlling interest		(30.00)	(30.38)
Total equity		(2,316.93)	1,957.49
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	18	7,350.80	6,131.28
(ii) Other financial liabilities	19	1,915.00	830.87
b) Provisions	20	553.60	427.40
d) Other non-current liabilities	21	29.06	36.48
Total non-current liabilities		9,848.46	7,426.03
Current liabilities			
a) Financial liabilities			
(i) Borrowings	22	-	35.68
(ii) Trade payables	23		
- Total outstanding dues of micro enterprises and small enterprises		51.57	31.24
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,167.87	1,957.28
(iii) Other financial liabilities	24	1,156.04	1,800.95
b) Other current liabilities	25	734.57	235.87
c) Provisions	26	133.48	69.55
d) Current tax liabilities (net)	27	13.10	4.55
Total current liabilities		4,256.63	4,135.12
Liabilities directly associated with discontinued operations	38	-	384.36
Total equity and liabilities		11,788.16	13,903.00

The accompanying notes form an integral part of these consolidated financial statements.
As per report of even date attached

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

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

Arun Tandon
Partner
Membership No. 517273

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in million)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	28	6,248.05	5,440.62
Other income	29	99.77	296.87
Total income		6,347.82	5,737.49
Expenses			
Cost of materials consumed	30	1,677.62	1,792.99
Purchases of traded goods	31	312.59	107.13
Changes in inventories of finished goods, traded goods and work-in-progress	32	56.10	(332.17)
Employee benefits expense	33	1,561.73	1,423.21
Finance costs	34	1,853.35	1,739.80
Depreciation and amortisation expense	35	455.94	432.19
Other expenses	36	1,873.72	2,135.87
Total expenses		7,791.05	7,299.02
Loss before share of profit of joint venture, exceptional items and tax		(1,443.23)	(1,561.53)
Share of profit of joint venture accounted for using the equity method		0.77	3.30
Loss before exceptional items and tax		(1,442.46)	(1,558.23)
Exceptional items	37	-	(153.97)
Loss before tax		(1,442.46)	(1,712.20)
Tax expense			
Current tax		23.23	399.64
Deferred tax credit		(3.66)	(233.24)
Total tax expense		19.57	166.40
Loss for the year from continuing operations (A)		(1,462.03)	(1,878.60)
Loss before tax from discontinued operations	38	(7.84)	(61.24)
Tax expense of discontinued operations		6.71	3.12
Loss from discontinued operations (B)		(14.55)	(64.36)
Loss for the year (A+B)		(1,476.58)	(1,942.96)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit plans		21.18	36.80
Income tax effect on above		(7.21)	(12.86)
B. Items that will be reclassified to profit or loss:			
Foreign currency translation reserve		(5.77)	3.60
Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income		8.20	27.54
Total comprehensive loss for the year		(1,468.38)	(1,915.42)
Profit / (loss) for the year attributable to :			
Owners of Parent		(1,476.96)	(1,942.67)
Non-controlling interest	54	0.38	(0.29)
Other comprehensive income for the year attributable to :			
Owners of Parent		8.20	27.54
Non-controlling interest	54	-	-
Total comprehensive income for the year attributable to :			
Owners of Parent		(1,468.76)	(1,915.13)
Non-controlling interest	56	0.38	(0.29)
Loss per equity share from continuing operations (face value of Re. 1 each)	40		
- Basic and diluted (in Rs.)		(23.87)	(30.67)
Loss per equity share from discontinued operations (face value of Re. 1 each)			
- Basic and diluted (in Rs.)		(0.24)	(1.05)
Loss per equity share (from continuing and discontinued operations) (face value of Re. 1 each)			
- Basic and diluted (in Rs.)		(24.11)	(31.72)

The accompanying notes form an integral part of these consolidated financial statements.

As per report of even date attached

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

Arun Tandon
Partner
Membership No. 517273

Place : New Delhi
Date : June 2, 2021

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

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Consolidated Cash Flow Statement for the year ended March 31, 2021

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Loss before tax from:		
Continuing operations	(1,442.46)	(1,712.20)
Discontinued operations	(7.84)	(61.24)
Adjustment for:		
Depreciation and amortisation expense	460.74	441.35
Unrealized foreign exchange loss (net)	(1.83)	5.37
Loss on sale of property, plant and equipment (net)	0.38	290.16
Excess provisions/debt written back	(36.29)	(228.24)
Allowance for expected credit loss and doubtful advances	23.29	184.74
Property, plant and equipments written off	39.97	-
Interest income	(32.69)	(52.63)
Finance costs	1,853.35	1,739.80
Investments accounted for using the equity method	(0.77)	(3.32)
Dividend income	-	(0.04)
Gain on sale of investment	-	(0.72)
Excess managerial remuneration receivable written off	-	153.97
Intangible assets under development provided/written off	2.66	-
Operating profit before working capital changes	858.51	757.00
Changes in working capital		
Inventories	(264.45)	(662.64)
Trade receivables	(168.57)	201.14
Other financial assets	(43.42)	159.32
Loans	(0.49)	(20.35)
Other current assets	(220.99)	(406.69)
Trade payables	235.08	(496.89)
Other financial liabilities	(1.90)	(51.39)
Other current liabilities	514.87	229.38
Provisions	168.95	73.16
Cash generated from/(used in) operating activities	1,077.59	(217.96)
Income tax (paid)	(9.95)	(86.74)
Net cash generated from/(used in) operating activities (A)	1,067.64	(304.70)
B. Cash flow from investing activities		
Payment for property, plant and equipment and intangible assets	(217.63)	(69.11)
Proceeds from sale of property, plant and equipment	42.56	161.05
Proceeds from investment in joint venture	55.90	-
Proceeds from sales of investment	-	0.72
Purchase of investment	-	(67.84)
Loans given	-	(40.00)
Interest received	34.31	52.63
Dividend received	-	0.04
Investments in bank deposits having original maturity of more than three months	(391.93)	(385.09)
Net cash used in investing activities (B)	(476.79)	(347.60)
C. Cash flow from financing activities		
Proceeds from share warrants	-	320.00
Changes in minority interest	-	(0.29)
Proceeds from non-current borrowings	1,012.00	7,430.00
Repayment of non-current borrowings	(453.46)	(5,733.90)
Repayment of current borrowings (net)	(35.68)	(658.17)
Interest paid	(993.96)	(450.25)
Net cash (used in)/generated from financing activities (C)	(471.10)	907.39
Net increase /(decrease) in cash and cash equivalents during the year (A+B+C)	119.75	255.09
Cash and cash equivalents at the beginning of the year	402.18	144.66
Changes in cash and cash equivalents pertaining to discontinued operations	(1.14)	2.43
Cash and cash equivalents at the end of the year (refer note 11)	520.79	402.18

Note: The Consolidated Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

The accompanying notes form an integral part of these consolidated financial statements.

As per report of even date attached

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

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

Arun Tandon
Partner
Membership No. 517273

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share capital

(Rs. in million)

Particulars	Amount
Opening Balance as at April 1, 2019	61.25
Changes during the year	-
Closing balance as at March 31, 2020	61.25
Change during the year	-
Closing balance as at March 31, 2021	61.25

(Refer note 16)

B. Other equity

(Also refer note 17)

(Rs. in million)

Particulars	Equity component of compound financial instruments	Reserves and surplus					Other comprehensive income	Share Warrants	Total Other Equity	Non controlling interests
		Securities premium	Capital redemption reserve	General reserve	Capital reserve	Retained earnings	Foreign currency translation			
Balance as at April 1, 2019	96.39	919.40	1,022.34	474.99	-	884.15	45.45	-	3,442.72	(30.09)
Loss for the year	-	-	-	-	-	(1,942.67)	-	-	(1,942.67)	(0.29)
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	23.94	3.60	-	27.54	-
Total comprehensive loss for the year	-	-	-	-	-	(1,918.73)	3.60	-	(1,915.13)	(0.29)
Issued during the year	-	-	-	-	-	-	-	320.00	320.00	-
Adjustment on account of change in terms of preference shares	121.54	-	-	-	-	(42.51)	-	-	79.03	-
Balance as at March 31, 2020	217.93	919.40	1,022.34	474.99	-	(1,077.09)	49.05	320.00	1,926.62	(30.38)
Loss for the year	-	-	-	-	-	(1,476.96)	-	-	(1,476.96)	0.38
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	13.97	(5.77)	-	8.20	-
Total comprehensive income for the year	-	-	-	-	-	(1,462.99)	(5.77)	-	(1,468.76)	0.38
Transfer to general reserve	-	-	-	320.00	-	-	-	(320.00)	-	
Adjustment on account of demerger of real estate business (refer note 38)	(1.39)	-	-	-	(2,804.65)	-	-	-	(2,806.04)	-
Balance as at March 31, 2021	216.54	919.40	1,022.34	794.99	(2,804.65)	(2,540.08)	43.28	-	(2,348.18)	(30.00)

The accompanying notes form an integral part of these consolidated financial statements.

As per report of even date attached

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

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

Arun Tandon
Partner
Membership No. 517273

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Place : New Delhi
Date : June 2, 2021

Summary of Significant Accounting Policies for the year ended March 31, 2021

1. Corporate information

Panacea Biotec Limited (Corporate identification number: L33117PB1984PLC022350) ("the Holding Company") is a public company incorporated and domiciled in India. The Holding Company has its registered office and place of business at Ambala-Chandigarh Highway Lalru-140501, Punjab, India. The Holding Company's shares are listed with BSE Limited and National Stock Exchange of India Limited.

Holding Company Overview

The Holding Company is one of India's leading research based biotechnology companies engaged in the business of research, development, manufacture and marketing of branded vaccines and pharmaceutical formulations in India and international markets through itself and through its subsidiaries.

The Holding Company, its subsidiaries and its joint venture (jointly referred to as "the Group" herein under) were considered in these consolidated financial statements.

1.1 Basis of preparation

a. Statement of compliance

The consolidated financial statements ('Consolidated Financial Statements') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended from time to time.

These Consolidated Financial Statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, March 31, 2021. The Consolidated Financial Statements of the Group were approved by the Board of Directors on June 2, 2021. Revision to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities, as per the provision of the Act.

b. Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profit/ (loss) and Other Comprehensive Income ('OCI') of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of March 31, 2021. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/ (loss) and each component of OCI are attributed to the equity holders of the parent company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Joint ventures

Investments in joint arrangements are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement. Joint ventures – Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The Consolidated Statement of Profit and Loss includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in these entities. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

1.3 Use of estimates

The preparation of the Consolidated Financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Consolidated Financial Statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Significant accounting policies

The significant accounting policies that are used in the preparation of the Consolidated Financial Statements are summarised below. These accounting policies are consistently used throughout the periods presented in the Consolidated Financial Statements.

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) Inventory

Inventories are valued as follows:

Raw material, components, stores and spares

Raw materials (including packing materials), components, stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Traded goods

Traded goods are valued at lower of cost or net realisable value. Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c) Property, plant and equipment

Recognition and initial measurement

All items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Act. The following useful life of assets has been determined by the Group:

Summary of Significant Accounting Policies for the year ended March 31, 2021

Particulars	Useful life
Building – factory	30 years
Building – Non-factory	60 years
Plant and Equipment	15 years and 20 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computer equipment	3 years and 6 years

i) Freehold land has an unlimited useful life and therefore is not depreciated.

ii) Leasehold land is amortised over the period of lease

iii) Leasehold improvements are amortised over the initial period of lease or useful life, whichever is shorter.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Recognition and initial measurement

Research and development costs

Expenditure on the research phase of projects is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the Group can demonstrate the following:

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

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on development of prototypes along with an appropriate portion of relevant overheads and borrowing costs

Other intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Patents, trademarks and designs	7 years
Product development	5 Years
Technical know-how	5 years
Software	5 years
Websites	2 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Assets classified as held-for-sale

Assets are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised. Assets classified as held-for-sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the balance sheet.

f) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Foreign and presentation currency

The Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the functional and presentation currency of the Holding Company.

Foreign currencies Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded in functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

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

All other exchange differences are charged to the statement of profit and loss.

Translation of a foreign operation

Functional and reporting currencies of foreign operations are different from the reporting currency of the Holding Company. For all the foreign operations of the Group, all assets and liabilities (excluding share capital and opening reserves and surplus) are translated into INR using the exchange rate prevailing at the reporting date. Share capital, opening reserves and surplus at historical rates. Revenues, costs and expenses are translated using the average exchange rate during the reporting period. The resultant currency translation difference is recognized as foreign currency translation reserve under the head 'other equity'.

Summary of Significant Accounting Policies for the year ended March 31, 2021

i) Leases

Effective from April 1, 2019, the Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets - The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

k) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as GST etc. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Group applies the revenue recognition criteria to each separately identifiable component of the Revenue transaction as set out below:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Group, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in the statement of profit and loss over the period the underlying services are performed.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income

Interest income is recorded on accrual basis using the effective interest rate ("EIR") method.

Royalty income

Royalty is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the terms of the relevant agreement.

Research and license fees income

Research and license fees income is recognized on an accrual basis based on actual sale of product by the licensee and in accordance with the term of the relevant agreement.

Export incentives

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

l) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

  - Investments in equity instruments other than above –Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss (FVTPL). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

    If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

    Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

  - Investments in mutual funds – Investments in mutual funds in scope of Ind-AS 109 are measured at fair value through profit or loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

m) Post-employment and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided Fund. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the gratuity plan (administered through Life Insurance Corporation of India), which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absences

Compensated absences, which are expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Minimum alternate tax ('MAT') credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and presented as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

p) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the group will comply with all the conditions.

Government grants related to the income are deferred and recognised in statement of profit and loss over the period necessary to match them with the cost that are intended to compensate and presented within other income.

Government grants related to property, plant and equipment are included in the non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected life of the related assets and presented within other income.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the other components. Results of the operating segments are reviewed regularly by the Board of Directors (Managing Director and Chief Financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

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

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial results of the Group as a whole. In accordance with Ind AS 108, Operating Segments, the management has disclosed the segment information in the audited consolidated financial statements.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s) Discontinued operations

A discontinued operation is a component of group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. Statement of profit and loss from discontinued operations comprise the post-tax Statement of profit and loss from discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale. Any statement of profit and loss arising from sale or re-measurement of discontinued operations is presented as a part of single line item. Statement of profit and loss from discontinued operations separately in the Statement of profit and loss.

t) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the best estimate of expenditure required to settle the present obligation at the reporting date, based on the most reliable evidence, including the risks and uncertainties associated with the present obligation.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Any amount that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset up to the amount of the related provisions. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised.

1.5 Significant management judgments in applying accounting policies and estimation uncertainty

The preparation of the Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgments

Research and developments costs - Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Provisions, contingent liabilities and contingent assets – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. In view of the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the Defined Benefit Obligations (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

1.6 Recent accounting pronouncements (Standard issued but not yet effective):

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

2.1 Property, plant and equipment

(Rs. in million)

Particulars	Freehold land	Right of use asset-Land	Building	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computer equipment	Total
Gross carrying value									
As at April 1, 2019	2,243.21	593.00	3,984.77	5,614.84	264.81	86.65	148.73	153.96	13,089.97
Additions	41.60	-	-	6.62	-	4.88	0.90	0.30	54.30
Disposals	(284.70)	-	(275.24)	(5.61)	-	(9.14)	-	-	(574.69)
Adjustments	-	58.31	-	-	-	-	-	-	58.31
Assets classified as held for sale and discontinued operations (refer note 38)	-	(494.89)	(225.50)	-	-	-	(0.12)	(0.03)	(720.54)
As at March 31, 2020	2,000.11	156.42	3,484.03	5,615.85	264.81	82.39	149.51	154.23	11,907.35
As at April 1, 2020	2,000.11	651.31	3,709.53	5,615.85	264.81	82.39	149.63	154.26	12,627.89
Additions	-	-	10.83	75.08	0.11	2.00	3.33	3.76	95.11
Disposals	-	-	(42.45)	(6.56)	(0.32)	(22.62)	(9.57)	(3.99)	(85.51)
Transfer of assets through demerger {refer note 38}	(127.50)	-	(236.99)	(4.45)	(16.33)	(10.00)	(19.16)	(0.64)	(415.07)
Assets classified as held for sale and discontinued operations (refer note 38)	(99.97)	(200.12)	(155.04)	-	-	-	-	-	(455.13)
As at March 31, 2021	1,772.64	451.19	3,285.88	5,679.92	248.27	51.77	124.23	153.39	11,767.29
Accumulated depreciation									
As at April 1, 2019	-	35.73	936.62	3,483.42	240.02	78.42	140.32	144.36	5,058.89
Charge for the year*	-	2.44	95.92	325.57	6.38	2.28	1.67	1.27	435.53
Disposals	-	-	(55.14)	(5.03)	-	(6.28)	-	-	(66.45)
Assets classified as held for sale and discontinued operations (refer note 38)	-	(13.38)	(62.34)	(0.03)	-	-	(0.11)	-	(75.86)
As at March 31, 2020	-	24.79	915.06	3,803.93	246.40	74.42	141.88	145.63	5,352.11
As at April 1, 2020	-	38.17	977.40	3,803.96	246.40	74.42	141.99	145.63	5,427.97
Charge for the year*	-	2.44	92.85	342.44	5.69	0.79	1.77	1.68	447.66
Disposals	-	-	(6.18)	(2.15)	(0.29)	(21.46)	(8.02)	(3.80)	(41.90)
Transfer of assets through demerger {refer note 38}	-	-	(39.06)	(3.08)	(15.15)	(9.46)	(17.94)	(0.58)	(85.27)
Assets classified as held for sale and discontinued operations (refer note 38)	-	(17.09)	(30.61)	-	-	-	-	-	(47.70)
As at March 31, 2021	-	23.52	994.40	4,141.17	236.65	44.29	117.80	142.93	5,700.76
Net carrying value									
As at March 31, 2021	1,772.64	427.67	2,291.48	1,538.75	11.62	7.48	6.43	10.46	6,066.53
As at March 31, 2020	2,000.11	131.63	2,568.97	1,811.92	18.41	7.97	7.63	8.60	6,555.24

* includes depreciation related to discontinued operations (refer note 38)

Notes :
a) Refer note 45 for information on assets mortgaged/hypothecated as security.
b) Refer note 41(B) for information on contractual commitments related to property, plant and equipment.

2.2 Capital work-in-progress

(Rs. in million)

Particulars	Amount
As at April 1, 2019	83.92
Additions	13.17
Capitalised	(2.03)
As at March 31, 2020	95.06
As at April 1, 2020	95.06
Additions	177.79
Capitalised	(60.44)
As at March 31, 2021	212.41

Notes:

(i) The capital work-in-progress relates to ongoing projects for construction and installation of property, plant and equipment.
(ii) Refer note 45 for information on assets mortgaged/hypothecated as security.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

2.3 Other Intangible assets

(Rs. in million)

Particulars	Patent, trademark and copyrights	Softwares	Websites	Product development	Total
Gross carrying value					
As at April 1, 2019	90.18	227.62	9.34	511.92	839.06
Additions	-	-	-	-	-
Transfer to discontinued operations (refer note 38)	-	(0.04)	-	-	(0.04)
As at March 31, 2020	90.18	227.58	9.34	511.92	839.02
As at April 1, 2020	90.18	227.58	9.34	511.92	839.02
Additions	0.10	0.45	-	9.97	10.52
Disposals	-	(0.61)	-	-	(0.61)
As at March 31, 2021	90.28	227.42	9.34	521.89	848.93
Accumulated amortisation					
As at April 1, 2019	82.35	224.68	9.34	498.14	814.51
Charge for the year	0.08	1.22	-	4.63	5.93
Transfer to discontinued operations (refer note 38)	-	(0.04)	-	-	(0.04)
As at March 31, 2020	82.43	225.86	9.34	502.77	820.40
As at April 1, 2020	82.43	225.86	9.34	502.77	820.40
Charge for the year	0.10	1.56	-	6.62	8.28
Disposals	-	(0.20)	-	-	(0.20)
As at March 31, 2021	82.53	227.22	9.34	509.39	828.48
Net carrying value					
As at March 31, 2021	7.75	0.20	-	12.50	20.45
As at March 31, 2020	7.75	1.72	-	9.15	18.62

Note: Refer note 45 for information on assets mortgaged/hypothecated as security.

2.4 Intangible assets under development

(Rs. in million)

Particulars	Amount
As at April 1, 2019	141.15
Addition	3.86
Capitalised	-
Disposal and adjustments	-
As at March 31, 2020	145.01
As at April 1, 2020	145.01
Addition	-
Capitalised	(10.52)
Disposal and adjustments	(2.73)
As at March 31, 2021	131.76

Notes:

(i) The intangible assets under development relates to product registration, patent, technical know-how and software.

(ii) Refer note 45 for information on assets mortgaged/hypothecated as security.

3 Investments (non-current)

(Rs. in million)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Investments in equity instruments (unquoted)		
Other investments (at fair value through profit and loss)		
i) Shivalik Solid Waste Management Limited		
20,250 (March 31, 2020: 20,250) equity shares of Rs. 10 each fully paid up	0.20	0.20
ii) Mohali Green Environment Private Limited		
50,000 (March 31, 2020: 50,000) equity shares of Rs. 10 each fully paid up	0.50	0.50
Total	0.70	0.70
Aggregate book value of unquoted investments	0.70	0.70
Aggregate amount of impairment in value of investments	-	-

Notes:

(i) The Group does not have any quoted investments during the current as well as previous year.

(ii) Refer note 48 for disclosure on fair value measurements in respect of financial assets at cost and fair value through profit and loss.

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
4	**Loans (non-current)**		
	(Unsecured, considered good, unless stated otherwise)		
	Security deposits	12.20	12.05
	Total	12.20	12.05
	Notes: (i) Refer note 45 for information on assets mortgaged/hypothecated as security. (ii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
5	**Other financial assets (non-current)**		
	(Unsecured, considered good, unless stated otherwise)		
	Bank deposits (due for maturity after 12 months from the reporting date)	56.08	5.96
	Total	56.08	5.96
	Notes: (i) Fixed deposits amounting to Rs. 51.26 million (March 31, 2020: Rs. 5.96 million) are deposited with banks and various government authorities for tender, bank guarantee, margin money, etc. (ii) Refer note 45 for information on assets mortgaged/hypothecated as security. (iii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
6	**Deferred tax assets (net)**		
	Deferred tax liabilities arising on account of		
	Property, plant and equipment and intangible assets	1,201.33	1,336.73
	Capital expenditure on research and development	-	0.10
		1,201.33	1,336.83
	Deferred tax assets arising on account of		
	Expenditure allowed on payment basis	67.83	59.39
	Unabsorbed business losses and depreciation	1,116.43	1,249.75
	Minimum alternative tax credit entitlement	1.47	19.47
	Others	17.07	27.69
		1,202.80	1,356.30
	Total	1.47	19.47
	Notes: (i) Refer note 39 for movement in balances of deferred tax assets and/or liabilities (ii) Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise. Accordingly, the net deferred tax (assets) / liability has been disclosed in the consolidated balance sheet as follows :		
	Deferred tax assets	1.47	19.47
	Deferred tax liabilities	-	-
	Deferred tax assets (net)	1.47	19.47
7	**Income tax assets (net)**		
	Advance taxes (net of provision for taxes)	1,740.37	1,730.43
	Less: provision for taxes	(1,701.91)	(1,701.91)
	Total	38.46	28.52
8	**Other non-current assets**		
	(Unsecured, considered good unless stated otherwise)		
	Capital advances	10.07	10.53
	Balances with statutory authorities	128.31	124.02
		138.38	134.55
	(Unsecured, considered doubtful, credit impaired		
	Capital advances	176.80	176.80
	Less: allowance for doubtful advances	(176.80)	(176.80)
		-	-
	Total	138.38	134.55
	Note: Refer note 45 for information on assets mortgaged/hypothecated as security.		

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
9	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Raw materials including packing materials	871.40	659.06
	Finished goods	442.21	483.22
	Traded goods	55.10	37.26
	Work-in-progress	176.43	209.36
	Stores and spares	196.23	88.01
	Total	1,741.37	1,476.91
	Notes: i) Refer note 30 and 32 for consumption of and changes in inventories recorded by the Group. ii) Refer note 45 for information on assets mortgaged/hypothecated as security.		
10	**Trade receivables**		
	Unsecured, considered good	846.84	685.19
	Unsecured, considered doubtful, credit impaired	41.06	27.35
		887.90	712.54
	Less: Allowance for expected credit loss	(41.06)	(27.35)
	Total	846.84	685.19
	Notes: i) Refer note 45 for information on assets mortgaged/hypothecated as security. ii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
11	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	503.19	400.57
	- in exchange earners' foreign currency accounts	16.93	0.80
	Cash on hand	0.67	0.81
	Total	520.79	402.18
	Note: Refer note 45 for information on assets mortgaged/hypothecated as security.		
12	**Bank balances other than cash and cash equivalents**		
	Bank deposits (with original maturity for more than 3 months but less than 12 months from reporting date)	837.14	495.33
	Total	837.14	495.33
	Notes: i) Fixed deposits amounting to Rs. 446.15 million (March 31, 2020: Rs. 376.35 million) are pledged/deposited with banks and various government authorities for tender, bank guarantee, margin money, etc. ii) Refer note 45 for information on assets mortgaged/hypothecated as security.		
13	**Loans (current)**		
	(Unsecured, considered good, unless stated otherwise)		
	Security deposits	22.99	23.91
	Amount receivables from employees	19.95	19.64
		42.94	43.55
	(Unsecured, considered doubtful)		
	Security deposits	1.25	-
	Loans to related parties	585.16	585.16
		586.41	585.16
	Less : allowance for doubtful/credit impaired	(586.41)	(585.16)
		-	-
	Total	42.94	43.55
	Notes: i) Refer note 45 for information on assets mortgaged/hypothecated as security. ii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
14	**Other financial assets (current)**		
	(Unsecured, considered good, unless otherwise stated)		
	Export benefits receivable	63.42	31.76
	Others	42.66	30.90
	Total	106.08	62.66
	Notes:		
	i) Refer note 45 for information on assets mortgaged/hypothecated as security.		
	ii) Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
15	**Other current assets**		
	(Unsecured, considered good, unless otherwise stated)		
	Prepaid expenses	52.87	56.48
	Balances with statutory authorities	529.04	287.66
	Advance to suppliers	65.19	85.01
		647.10	429.15
	(Unsecured, considered doubtful, credit impaired)		
	Advance to suppliers	73.50	71.74
	Less: Allowance for doubtful advances	(73.50)	(71.74)
		-	-
	Total	647.10	429.15
	Note: Refer note 45 for information on assets mortgaged/hypothecated as security.		
16	**Share capital**		
	Authorised		
	125,000,000 (March 31, 2020: 125,000,000) equity shares of Re. 1 each	125.00	125.00
	109,837,000 (March 31, 2020: 110,000,000) preference shares of Rs. 10 each	1,098.37	1,100.00
		1,223.37	1,225.00
	Issued, subscribed and fully paid up		
	61,250,746 (March 31, 2020: 61,250,746) equity shares of Re. 1 each	61.25	61.25
	Total	61.25	61.25

(a) Reconciliation of number of equity shares of the Holding Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Equity shares at the beginning of the year	61,250,746	61.25	61,250,746	61.25
Changes during the year	-	-	-	-
Equity shares at the end of the year	61,250,746	61.25	61,250,746	61.25

(b) Terms/right attached to equity shares:

The Holding Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors of the Holding Company has not proposed any dividend for current year and previous year.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts including preference shares. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(c) Details of shareholders holding more than 5% of equity shares in the Holding Company

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Mr. Soshil Kumar Jain	5,000,000	8.16%	5,000,000	8.16%
Dr. Rajesh Jain	25,217,312	41.17%	6,213,500	10.14%
Mr. Sandeep Jain	10,031,600	16.38%	4,792,100	7.82%
Mrs. Sunanda Jain	-	-	6,647,300	10.85%
Ravinder Jain (HUF)	-	-	4,135,000	6.75%
Rajesh Jain (HUF)	-	-	3,750,799	6.12%
Sandeep Jain (HUF)	-	-	4,105,000	6.70%
Serum Institute of India Ltd	-	-	5,805,279	9.48%
Mr. Adar Cyrus Poonawala	3,157,034	5.15%	3,157,034	5.15%

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

(d) The Holding Company has neither bought back any equity shares nor issued any equity shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

(e) Terms attached to 0.5% cumulative non-convertible and non-participating redeemable preference shares:

The Holding Company has only one class of preference shares having a par value of Rs.10 per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend, if any, proposed by the Board of Directors of the Holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors of the Holding Company has not proposed any dividend for current year and previous year.

The preference shares were initially issued for a period of 10 years w.e.f. January 6, 2015, with an option with the Holding Company as well as preference shareholders for early redemption of preference shares, provided CDR debts were fully serviced and the Holding Company comes out from the purview of CDR system. After payment of the CDR debts, the terms of preference shares have been amended on April 08, 2019 so as to enhance the tenure from 10 years to 15 years with an option with the Holding Company as well as preference shareholders for early redemption of preference shares, provided the secured debt obligations with respect to debentures issued by the wholly owned subsidiary Panacea Biotec Pharma Ltd ("PBPL") are fully serviced by the PBPL as per the agreed terms with the new investor. In the event of liquidation of the Holding Company, the holders of preference shares will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in preference to the equity shareholders. The distribution will be in proportion to the number of preference shares held by the preference shareholders. Also refer note 18(C).

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Preference shares at the beginning of the year	16,300,000	163.00	16,300,000	163.00
Changes during the year*	(163,000)	(1.63)	-	-
Preference shares at the end of the year	16,137,000	161.37	16,300,000	163.00

* As per the Scheme of Arrangement with respect to demerger of Demerged Undertaking (refer note 38), 163,000 preference shares have been cancelled including all the accrued rights therein upon implementation of the said Scheme of Arrangement and completion of related compliances. The Resulting Company viz. Ravinder Heights Ltd. has issued equivalent number of preference shares to the preference shareholders.

g) The Holding Company has neither bought back any preference shares nor issued any preference shares as bonus or for consideration other than cash, during the period of five years immediately preceding the reporting date.

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

Name of shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Mr. Soshil Kumar Jain	6,504,300	40.31%	6,570,000	40.31%
Dr. Rajesh Jain	6,504,300	40.31%	6,570,000	40.31%
Mr. Sandeep Jain	3,128,400	19.38%	3,160,000	19.38%

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

(Rs. in million)

Particulars			As at March 31, 2021	As at March 31, 2020
17	**Other equity***			
	A.	Reserves and Surplus:		
		Capital reserve	(2,804.65)	-
		Retained earnings	(2,540.08)	(1,077.09)
		General reserve	794.99	474.99
		Security premium	919.40	919.40
		Capital redemption reserve	1,022.34	1,022.34
		Foreign currency translation reserve	43.28	49.05
		Total (A)	(2,564.72)	1,388.69
	B.	Equity component of compound financial instruments (refer note 16 (e) to (h) and 18(C))	216.54	217.93
	C.	Share warrants**	-	320.00
		Total (A+B+C)	(2,348.18)	1,926.62

* For changes in balances of reserves, refer to the Consolidated Statement of Changes in Equity.

**During the previous year, the Holding Company had issued and allotted 7,111,111 convertible warrants ("Share warrants") at a price of Rs.180 each on a preferential basis to India Resurgence Fund - Scheme 1, India Resurgence Fund - Scheme 2 and Piramal Enterprises Limited ("Investors"). During the financial year 2020-21, these Share warrants have stood cancelled as the Investors did not exercise the conversion option within the stipulated time.

Nature and purpose of other reserves

General reserve: The Holding Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956. Mandatory transfer to general reserve is not required under the Act.

Securities premium: Represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained earnings: are the profits/(losses) that the Group has earned till date, less any transfer to any reserves, dividend or other distribution paid to shareholders.

Capital redemption reserve: Created in accordance with provisions of the Act for the buy back of equity shares from the market.

Capital reserve: Created pursuant to the demerger of the real estate business (refer note 38).

Foreign Currency translation reserve: Assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing as at date of the balance sheet. Revenue and expenses are translated into INR at the average exchange rate prevailing during the period. The exchange difference arising at the year-end due to translation is debited or credited to currency translation reserve account.

(Rs. in million)

Particulars		As at March 31, 2021	As at March 31, 2020
18	**Borrowings (non-current)**		
	Non-convertible debentures (NCDs), secured (refer note (A) below)		
	NCD Series 1A		
	India Resurgence Fund Scheme-1	114.02	114.02
	India Resurgence Fund Scheme-2	586.40	586.40
	Piramal Enterprises Limited	114.02	114.02
	NCD Series 1B		
	India Resurgence Fund Scheme 1	807.80	807.80
	India Resurgence Fund Scheme 2	4,154.40	4,154.40
	Piramal Enterprises Limited	807.80	807.80
	NCD Series 2		
	India Resurgence Fund Scheme 1	-	57.40
	India Resurgence Fund Scheme 2	-	295.20
	Piramal Enterprises Limited	-	57.40
	NCD Series 3		
	India Resurgence Fund Scheme-1	134.40	-
	India Resurgence Fund Scheme-2	691.20	-
	Piramal Enterprises Limited	134.40	-
	Rupee Term loans from others		
	Biotechnology Industrial Research Assistance Council ("BIRAC") (secured) (refer note (B) (i) and (ii) below)	10.00	34.00
	Department of Science & Technology ("DST") (unsecured) (refer note (B) (iii) below)	2.00	4.00
	Technology Development Board ("TDB") (secured) (refer note (B) (iv) below)	40.52	57.98

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured loans		
Liability component of compound financial instruments		
16,137,000 (March 31, 2020: 16,300,000) 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs.10 each (refer note (C) below)	34.48	28.97
Loan from related parties (refer note (B) (v) below)	563.82	266.80
	8,195.26	7,386.19
Less: current maturities of non-current borrowings (disclosed under note 24)	(844.46)	(1,254.91)
Total	7,350.80	6,131.28

Notes :

Rate of interest - The Group's long term borrowings were at an effective weighted average rate of 9 to 25% (31 March 2020: 18% to 20%) per annum.

A. Non-convertible debentures (NCDs)

(i) During the year ended March 31, 2020, the Holding Company had signed investment agreement with India Resurgence Fund ('IndiaRF'), promoted by Piramal Enterprises Limited and Bain Capital Credit, along with its affiliates ("Investors") for obtaining long term funds of upto Rs. 9,920 million, consequent to approval from shareholders in general meeting held on March 25, 2019. This investment was structured by way of subscription to Non-Convertible Debentures ('NCDs') of up to Rs. 8,640 million and subscription amount of Rs. 320 million towards share warrants to be allotted on a preferential basis. The subscription amount represented 25% of total amount of Rs. 1,280 million proposed to be raised upon issuance of equity shares against warrants as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'). Upon exercise of conversion rights in the warrants, IndiaRF (along with its affiliates) would have collectively owned 10.4% stake in the equity share capital of the Company on a fully diluted basis;

The Holding Company issued and allotted 74,300 unrated, unlisted, redeemable NCDs, having the face value of Rs. 1 lakh each, aggregating to Rs. 7,430.00 million under Series 1A, Series 1B and Series 2 NCDs to the lenders; The NCD Series 1A, 1B and 2 had maturity period of 12 months, 60 months and 18 months resepectively from the date of allotment.

(ii) Pursuant to transfer of Holding Company's pharmaceutical formulations business to PBPL as a going concern by way of slump sale, the above NCDs have been extinguished and novated in PBPL as part of transfer of business.

(iii) During the year ended March 31, 2021:

(a) Panacea Biotec Pharma Ltd ("PBPL") alloted 9,600 unrated, unlisted, redeemable NCDs, having the face value of Rs. 1 lakh each, aggregating to Rs. 960.00 million under Series 3 NCDs to the existing NCD lenders; The Series 3 NCDs have maturity period of 42 months from the date of allotment of October 16, 2020.

(b) PBPL redemeed 4,100 Series 2 NCDs, having the face value of Rs. 1 lakh each, amounting to Rs.539.60 million (including interest) of Series 2 NCDs.

(c) PBPL has also partially redemeed Series 1A NCDs amounting Rs 415.60 million.

(d) PBPL has delayed the repayment of Series 1A NCDs for Rs. 1,046.71 million (including interest of Rs 232.27 million) for which PBPL and its debenture-holders have signed necessary amendment agreement to revise the Maturity Date of Series 1A NCDs from April 7, 2020 to June 7, 2021. PBPL is in advanced discussion with the Debenture holders to consider further extension, if required.

(iv) The above NCDs are secured by way of first pari-passu charge over entire fixed assets and current assets of Holding Company and PBPL. The NCDs are additionally secured by way of (a) personal guarantees of Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Ankesh Jain; (b) pledge of 42,491,696 (March 31, 2020: 39,776,227) equity shares held by the promoters and promoter group members in the Holding Company; and (c) pledge of equity shares of the PBPL held by the Holding Company.

(v) The details of the immovable properties of the Holding Company and PBPL mortgaged in favour of Vistra (ITCL) India Limited (acting as trustee on behalf of the NCD holders, to secure the NCDs are as under:

a) All parcels of land admeasuring 161 Bighas, 18 Biswas and 10 Biswasi situated at Village Samelheri, Tehsil Derabassi, District S.A.S. Nagar (Mohali), Punjab;

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

c) All parcels of land admeasuring 91 Bighas 1 Biswa (including 58 Bighas 6 Biswa transferred to PBPL vide deed of conveyance dated February 4, 2020), comprised in various Khewat/Khatoni Numbers situated at Village Malpur, Tehsil Baddi, District Solan, Himachal Pradesh;

d) Flat number 3, 4, 203 and 303 situated at Elite Heights Apartment, at municipal no. 6-3-1238/15/1 & 6-3-1238/16 survey no. 32/1, at Somajiguda,Hyderabad, Telangana;

e) Industrial plot no. A-24, A-25 and A-27 having land measuring 718.92 sq. yds. each at Block B-1 Extension and Industrial plot no. E-12 having land measuring 1,372.52 sq. yds. at Block B-1, situated at Mohan Co-operative Industrial Estate, Mathura Road, New Delhi;

f) 80 flats, i.e., 20 flats comprising in block A-2 bearing no: 101 to 104, 201 to 204, 301 to 304, 401 to 404 & 501 to 504 each having super area 1495 sqft and 60 flats in block B-10, B-11, B-12 bearing no. 101 to 104, 201 to 204, 301 to 304, 401 to 404 & 501 to 504 each having super area 1161 sqft (30 flats) and super area 1186 sq. ft. (30 flats) in building built on land measuring 28 bigha 11 biswa in khewat khatoni no: 89/91 comprised in khasra no: 1747 (4-12), khewat khatoni no: 168/194 khasra no: 1970/1746 (1-15), 1971/1746 (3-0), 1748 (9-0) khewat khatoni no: 339/333 khasra no: 1749 (4-11), 1750 (5-13), kitas 6, village Bhatoli Kalan, Hadbast no. 214, Pargna Dharampura, Tehsil Baddi, District Solan, H.P.

g) Flat no. 201 at Samarpan Complex, village Chakala, Taluka Andheri (East), Mumbai;

h) Residential premises no. 703, 704, 903, 904 and 1001 to 1004 in wing "B" of Sagar Heights Building F; and Commercial premises no. 707 to 712, 714 to 718, 808 to 812 and 814 to 818 in Sagar Tech Plaza- Building A, all situated at CTS no . 721/A, 721B, & 721/1 survey no: 14,15,2052, at village Mohili, Andheri Kurla Road, Andheri (East), Mumbai; and

i) Industrial plot no. Gen-72/3, land measuring 5518 sq mts in the Trans Thane Creek Industrial Area, Navi Mumbai.

B. Repayment terms and security of other loans:

(i) Rupee term loan from BIRAC for H1N1 influenza vaccine project, with amount outstanding of Rs. 7.00 million (March 31, 2020: Rs. 28.00 million) is repayable in ten equal half-yearly instalments commencing from March 31, 2017. This loan is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(ii) Rupee term loan from BIRAC for Streptococcus pneumococcal conjugate vaccine project, with amount outstanding of Rs. 3.00 million (March 31, 2020 : Rs. 6.00 million) is repayable in ten equal half-yearly instalments commencing from May 29, 2017 and is secured by way of hypothecation of all equipment, apparatus, machineries, machineries spares, tools and other accessories, goods and/or other movable property (both present and future) of the Company by way of first charge on pari-passu basis.

(iii) The unsecured rupee term loan from DST of Rs. 2.00 million (March 31, 2020: Rs. 4.00 million) is for specific project and is repayable in ten equal annual instalments commencing from September 2012.

(iv) Rupee term loan from TDB of Rs. 40.52 million (March 31, 2020: Rs. 57.98 million) is for Dengue vaccine project and is repayable in nine equal half-yearly instalments commencing from July 1, 2020. During the financial year 2020-21, TDB has decided to reduce the sanctioned loan amount from Rs. 289.90 million to Rs. 57.98 million. In view of the COVID-19 pandemic situation TDB has agreed to collect first three installments on July 1, 2021. This loan is secured by way of first pari-passu charge (i) on the whole of the moveable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables both present and future except book debts; and (ii) mortgage of immovable properties of the Company being land admeasuring 1011.11 sq. yards, situated at Plot no. 37, Sector 21-A, Urban Estate, Faridabad, Haryana.

(v) Loan from related parties includes loans from bodies corporate and are payable after April 7, 2024. Interest rates range between 9% - 9.5%, also refer note 44.

C. Liability component of compound financial instruments

(i) Further to note 16(f), the Company had issued 16,300,000 0.5% cumulative non-convertible and non-participating redeemable preference shares of Rs. 10 each to the three promoters, viz., Mr. Soshil Kumar Jain, Dr. Rajesh Jain and Mr. Sandeep Jain. The preference shares are presented in the balance sheet as follows:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Value of preference shares issued	163.00	163.00
Opening interest accrued	83.90	81.34
Interest expense (refer note (i) below)	5.75	2.56
Total (A)	252.65	246.90
Equity component of preference shares (refer note (i) below)	217.93	96.39
Adjustment on account of change in terms of preference shares (refer note 16(e))	-	121.54
Cancellation of preference shares on account of demerger (refer note 16(f))	1.63	-
Transfer to capital reserve on account of demerger	(1.39)	-
Total (B)	218.17	217.93
Liability component of compound financial instruments (A-B)	34.48	28.97

Notes:

(i) The equity component is the difference between fair value of liability component computed at the effective interest rate of 18.85% p.a. (March 31, 2020: 18.85% p.a.) and the value of preference shares issued, which is presented as a separate component of equity in the Consolidated Statement of Changes in Equity.

(ii) Refer note 45 for information on assets mortgaged/hypothecated as security.

(Rs. in million)

	Particulars	**As at March 31, 2021**	As at March 31, 2020
19	**Other financial liabilities (non-current)**		
	Interest accrued but not due on borrowings	1,915.00	830.87
	Total	1,915.00	830.87
20	**Provisions (non-current)**		
	Provision for gratuity (refer note 47)	172.08	167.27
	Provision for compensated absences	134.40	123.66
	Others	247.12	136.47
	Total	553.60	427.40
21	**Other non-current liabilities**		
	Deferred government grant	29.06	33.45
	Deferred income	29.06	33.45
	Total	-	3.03
		29.06	36.48

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
22	**Borrowings (current)**		
	Loan from body corporates (unsecured)	-	35.68
	Total	-	35.68
23	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises	51.57	31.24
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,167.87	1,957.28
	Total	2,219.44	1,988.52
	Notes:		
	(i) Refer note 44 for related party transaction disclosures.		
	(ii) Details of dues to micro, small and medium enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006 ["MSMED Act"]:		
	On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act , 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:		
	a) The amounts remaining unpaid to any supplier as at the end of each accounting year:		
	- Principal	48.87	31.24
	- Interest	0.42	1.08
	b) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
	d) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.42	1.08
	e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-
24	**Other financial liabilities (current)**		
	Current maturities of long-term borrowings (refer note 18)	844.46	1,254.91
	Interest accrued but not due on borrowings	235.45	463.36
	Interest accrued and due on borrowings	12.83	15.49
	Others	63.30	67.19
	Total	1,156.04	1,800.95
	Note:		
	Refer note 48 and 49 for disclosure of fair value in respect of financial assets measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses.		
25	**Other current liabilities**		
	Advances from customers (refer note 41(A)(vii))	647.75	135.44
	Advance against sale of property, plant and equipment	18.50	12.50
	Deferred government grant	21.23	56.05
	Statutory liabilities	31.19	25.96
	Others	15.90	5.92
	Total	734.57	235.87
26	**Provisions (current)**		
	Provision for compensated absences	133.48	69.55
	Total	133.48	69.55
27	**Current tax liabilities (net)**		
	Provision for taxation	13.10	4.55
	Total	13.10	4.55

(Rs. in million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
28	**Revenue from operations**		
	Sale of products (net)		
	Finished goods	5,781.72	4,910.69
	Traded goods	332.01	409.85
	Sale of services		
	Contract manufacturing	62.76	51.32
	Other operating revenue		
	Export benefits	68.68	64.64
	Scrap sale	2.88	4.12
	Total	6,248.05	5,440.62
A	Disaggregated revenue from contracts with customers (including discontinued operations)		
	Revenue from sale of products & services		
	Vaccine	2,242.20	1,374.90
	Pharma	3,934.29	3,996.96
	Other operating revenue		
	Vaccine	36.14	29.26
	Pharma	35.42	39.50
	Total	6,248.05	5,440.62
	Revenue by Geography		
	India	3,109.06	3,713.81
	Outside India	3,138.99	1,726.81
	Total	6,248.05	5,440.62
B	Reconciliation of gross revenue with the revenue from contracts with customers (including discontinued operations)		
	Gross revenue#	6,550.55	5,676.79
	Discounts	(88.62)	(109.16)
	Sales returns	(213.88)	(127.01)
	Total	6,248.05	5,440.62
	# Revenues are recorded at a point in time. The Group has no remaining performance obligations once the goods are delivered to the customer as per terms of the contract. Refer note 44 for related party transaction disclosures.		
C	The following table provides for information about trade receivables, contract assets from contracts with customers		
	Trade receivables*	887.90	712.54
	Others	42.66	30.90
	Contract balances		
	– Advances from customers$	647.75	135.44
	Total	282.81	608.00
	* Trade receivables are non-interest bearing and are generally due within 30 to 180 days. There is no significant financing component in any transaction with the customers. $ The adjustments of advances during the year are not considered to be significant. Also refer note 41(A)(vii).		
29	**Other income**		
	Income from investments		
	Dividend income	-	0.04
	Interest income from		
	Bank deposits	31.65	45.27
	Others	1.03	2.61
	Others		
	Excess provisions/debt written back	36.29	228.14
	Government grant income	10.64	12.15
	Lease rent	0.59	0.15
	Miscellaneous	19.57	8.51
	Total	99.77	296.87
	Note: Refer note 44 for related party transaction disclosures.		

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
30	**Cost of materials consumed**		
	Raw materials including packing materials		
	Inventories at the beginning of the year	659.06	395.55
	Add : Purchases during the year	1,889.96	2,056.50
	Less: Inventories at the end of the year	(871.40)	(659.06)
	Total	1,677.62	1,792.99
31	**Purchases of traded goods**		
	Purchases of traded goods	312.59	107.13
	Total	312.59	107.13
	Note: Refer note 44 for related party transaction disclosures.		
32	**Changes in inventories of finished goods, traded goods and work-in-progress**		
	Inventories at the end of the year		
	Finished goods	442.21	483.22
	Traded goods	55.10	37.26
	Work-in-progress	176.43	209.36
	Total	673.74	729.84
	Inventories at the beginning of the year		
	Finished goods	483.22	246.57
	Traded goods	37.26	39.77
	Work-in-progress	209.36	111.33
	Total	729.84	397.67
	Changes in inventories of finished goods, traded goods and work-in-progress	56.10	(332.17)
33	**Employee benefits expense**		
	Salary and wages	1,466.15	1,340.17
	Contribution to provident and other funds (refer note 47)	51.76	49.85
	Staff welfare expenses	43.82	33.19
	Total	1,561.73	1,423.21
	Note: Refer note 44 for related party transaction disclosures.		
34	**Finance costs**		
	Interest expense	1,846.90	1,731.10
	Other borrowing costs	6.45	8.70
	Total	1,853.35	1,739.80
35	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment	447.66	426.37
	Amortisation of intangible assets	8.28	5.82
	Total	455.94	432.19
36	**Other expenses**		
	Analytical testing and trial	67.43	45.92
	Advertising and sales promotion	183.74	209.78
	Allowance for expected credit loss and doubtful advances	23.29	184.61
	Contract manufacturing	5.52	8.37
	Consumption of stores and spares	233.50	169.42
	Commission on sales	44.34	52.82
	Directors' sitting fees	2.44	1.70
	Freight and forwarding	283.73	165.48
	Insurance	58.39	50.12
	Intangible assets under development provided/written off	2.66	-
	Legal and professional	189.19	114.46
	Loss on disposal of property, plant and equipment	0.38	290.52
	Loss on foreign exchange transactions and translations (net)	6.88	8.39
	Meetings and conferences	17.77	81.50
	Office expenses	7.79	5.96
	Payment to auditors (refer note (ii) below)	9.94	9.21
	Power and fuel	309.39	297.38
	Postage and communication	17.15	18.89
	Printing and stationery	7.43	9.91
	Provision for impairment of property, plant and equipment (refer note 38)	39.97	-

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Repair and maintenance :		
Buildings	17.77	7.40
Plant and machinery	42.74	53.63
Others	44.70	30.32
Rent	28.67	16.24
Rates and taxes	66.20	90.49
Staff training and recruitment	15.53	25.57
Security charges	23.03	21.89
Subscription	20.82	13.58
Travelling and conveyance	39.01	96.04
Vehicle running and maintenance	20.53	18.73
Miscellaneous	43.79	37.54
Total	1,873.72	2,135.87
Notes:		
(i) Refer note 44 for related party transaction disclosures		
(ii) Payment to auditors*		
As auditor		
- Audit fee	4.18	4.39
- Limited review fee	2.40	2.40
In other capacity		
- Certification and other matters	3.13	1.97
- Reimbursement of out of pocket expenses	0.23	0.45
Total	9.94	9.21
*including discontinued operations but excludes GST		
37 Exceptional items		
Excess managerial remuneration receivable written off (refer note 44)	-	(153.97)
Total	-	(153.97)

38 Discontinued Operations

(i) Demerger of Real estate business

On February 26, 2019 and May 30, 2019, the Board of Directors of the Holding Company had approved a plan and a scheme of arrangement respectively for demerger of its real estate business comprising wholly owned subsidiary Radhika Heights Limited ('RHL') along with its step down subsidiaries and two real estate properties from PBL ('Demerged Undertaking') to its wholly-owned subsidiary, Ravinder Heights Limited ('Transfree Company'). The Holding Company received approvals from its shareholders and unsecured creditors in their respective NCLT convened meetings held on January 28, 2020. The said scheme of arrangement was approved by the Hon'ble National Company Law Tribunal, Chandigarh vide its order dated September 9, 2020, and became effective on September 10, 2020. In accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations', the results related to the Demerged Undertaking for the period April 1, 2020 to September 10, 2020 have been included in the consolidated financial statements as discontinued operations.

(ii) The net value of assets transferred:

(Rs. in million)

Particulars	Amount
ASSETS	
Non-current assets	1,192.04
Current assets	1,991.38
Total (A)	3,183.42
LIABILITIES	
Non-current liabilities	88.05
Current liabilities	290.72
Total (B)	378.77
Capital reserve (A-B)	2,804.65

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(iii) Financial performance and cash flows for the Real estate business:		
(a) Analysis of loss:		
Income		
Revenue from operations	-	-
Other income	5.95	6.64
Total Income	5.95	6.64
Expenses		
Employee benefits expense	0.81	20.99
Finance costs	0.00	0.01
Depreciation and amortisation expense	4.80	9.16
Other expenses	8.18	37.72
Total expenses	13.79	67.88
Loss before exceptional items and tax	(7.84)	(61.24)
Exceptional items	-	-
Loss before tax from discontinued operations	(7.84)	(61.24)
Tax expense	6.71	3.12
Loss from discontinued operations after tax	(14.55)	(64.36)
(b) Net cash flows attributable to:		
Net cash (outflows) / inflows from operating activities	(1.14)	11.98
Net cash (outflows) / inflows from investing activities	-	(25.55)
Net cash (outflows) / inflows from financing activities	-	-
Net cash (outflows) / inflows	(1.14)	(13.57)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
(c) Book value of assets and liabilities pertaining to discontinued operations:		
Non-current assets		
Property, plant and equipment	-	874.57
Capital work-in-progress	-	0.06
Goodwill	-	8.96
Investments	-	74.81
Other non-current assets	-	40.53
Total non-current assets	-	998.93
Current assets		
Inventories	-	1,680.16
Trade receivable	-	1.24
Cash and cash equivalents	-	1.14
Other current financial assets	-	46.06
Other current assets	-	202.76
Total current assets	-	1,931.36
Total assets (A)	-	2,930.29
Non-current liabilities		
Provisions	-	6.83
Deferred tax liabilities	-	85.70
Total non-current liabilities	-	92.53
Current liabilities		
Trade payables	-	139.25
Other financial liabilities	-	-
Other current liabilities	-	152.58
Total current liabilities	-	291.83
Total liabilities (B)	-	384.36
Net assets (A-B)	-	2,545.93
(iv) Assets held for sale		
The Holding Company has a plan to sell the following assets in near future:		
Property, plant and equipment		
Gross carrying value	455.13	355.15
Less: Accumulated depreciation	47.70	47.70
Less: Provision for impairment	39.97	-
Total (C)	367.46	307.45
Total assets classified as held for sale and discontinued operations (A+C)	367.46	3,237.74

(Rs. in million)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
39	**Tax expenses**		
	For continuing operations:		
	Income tax expense consists of the following:		
	Current tax	23.23	399.64
	Deferred tax	(3.66)	(233.24)
	Total tax expense	19.57	166.40
	Reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported is as follows:		
	Loss before tax from:		
	Continuing operations	(1,442.46)	(1,712.20)
	Discontinued operations	(7.84)	(61.24)
	Profit/(loss) before income taxes from continuing and discontinued operations	(1,450.30)	(1,773.44)
	At Holding Company's statutory income tax rate of 34.94% (March 31, 2020: 34.94%)	(506.79)	(619.71)
	Adjustments in respect of current income tax		
	Adjustment on account of different tax base and tax rates	530.02	1,019.35
	Minimum alternative tax (MAT) credit entitlement	-	(172.57)
	Others	(3.66)	(60.67)
	Income tax expense reported in the statement of profit and loss	19.57	166.40

Tax losses:

(a) No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised.

(b) Deferred tax assets have been recognised to the extent there are sufficient taxable temporary differences.

(c) Minimum Alternate Tax (MAT): The Group has unused MAT credit of Rs. Nil (March 31, 2020 : Rs. 19.47 million).

(d) Movement in deferred tax assets/(liabilities) :

(Rs. in million)

Particulars	As at March 31, 2020	Charged/(credited) to profit and loss	Charged/(credited) to other comprehensive income/ transferred to discontinued operations	As at March 31, 2021
For the year ended March 31, 2021:				
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	1,336.73	(135.40)	-	1,201.33
Capital expenditure on research and development	0.10	(0.10)	-	-
	1,336.83	(135.50)	-	1,201.33
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	59.39	8.44	-	67.83
Effect of unabsorbed business loss and depreciation	1,249.75	(133.32)	-	1,116.43
Minimum alternative tax credit entitlement*	19.47	(18.00)	-	1.47
Others	27.69	3.72	(14.34)	17.07
	1,356.30	(139.16)	(14.34)	1,202.80
Net deferred assets/(liabilities)	19.47	(3.66)	(14.34)	1.47
*Current year provision for tax has been adjusted against MAT Credit.				
For the year ended March 31, 2020:				
Tax effect of items constituting deferred tax liabilities:				
Property, plant and equipment and intangible assets	1,465.88	(129.15)	-	1,336.73
Capital expenditure on research and development	8.44	(8.34)	-	0.10
	1,474.32	(137.49)	-	1,336.83
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	407.06	(347.67)	-	59.39
Effect of unabsorbed business loss and depreciation	1,051.76	197.99	-	1,249.75
Minimum alternative tax credit entitlement	192.04	(172.57)	-	19.47
Others	21.36	(48.48)	54.81	27.69
	1,672.22	(370.73)	54.81	1,356.30
Net deferred assets/(liabilities)	197.90	(233.24)	54.81	19.47

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
40 Loss per share		
Loss attributable to shareholders from continuing operations	(1,462.03)	(1,878.60)
Loss attributable to shareholders from discontinued operations	(14.55)	(64.36)
Weighted average number of equity shares	61,250,746	61,250,746
Face value per equity share (in Rs.)	1.00	1.00
Loss per equity share (in Rs.)		
- Basic and diluted- from continuing operations	(23.87)	(30.67)
- Basic and diluted- from discontinued operations	(0.24)	(1.05)
- Basic and diluted- from continuing and discontinued operations	(24.11)	(31.72)

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
41 Contingent liabilities and commitments		
(A) Contingent liabilities (to the extent not provided for)		
Disputed demands/show cause notices under:		
Income tax cases (refer note (i) to (iv)) below)	3,496.55	3,462.86
Customs duty cases (refer note (v) below)	4.00	4.00
Labour cases*	226.73	170.00
Sales Tax / VAT cases (refer note (vi) below)	342.65	32.45

*in view of large number of cases, it is impracticable to disclose each case

Notes :

i) Includes income tax demand of Rs. 162.22 million in respect to Assessment Year 2005-06. The Income Tax department had issued demand based on certain grounds related to purchases made by the Holding Company from an overseas vendor. The matter was decided in favour of the Holding Company and the demand was cancelled by CIT (Appeals). However, the Income Tax Department has filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. The Holding Company believes that it has merit in these cases, hence no provision is required.

ii) A search operation was conducted by the Income Tax Department in the premises of the Holding Company in January 2012 and hence the Holding Company had re-filed the income tax returns for the Assessment Year 2006-07 to 2012-13. During the year ended March 31, 2015, the Income Tax department completed the assessment of the said years, disallowed certain expenses and issued demand of Rs. 3,294.90 million (including interest) on various grounds. The Holding Company preferred appeals before the CIT (Appeals) against the orders of the Income Tax department. The appeals were decided in favour of the Holding Company and the demand was cancelled. However, CIT (Appeals) has made certain disallowances with respect to Assessment Year 2010-11 and 2011-12 against which the Holding Company has filed appeals before the ITAT. The Income Tax Department has also filed appeals before ITAT against the orders of CIT (Appeals). The appeals before ITAT are pending at present. Based on legal advice, the Holding Company believes that it has merits in these cases, hence no provision is required.

iii) The income tax department issued a demand of Rs. 5.74 million in respect of Assessment Year 2009-10 on the Holding Company due to non-deduction of withholding tax on payment made to a non-resident person towards purchase of immovable property. The Holding Company filed an appeal before CIT (Appeals) against the order of department but the CIT (Appeals) gave its decision in favour of the department. The Holding Company filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIT (Appeals) which is pending at present. During the year, the Holding Company has moved an application under the "Vivad Se Vishwas Scheme" for settlement of the case.

iv) The income tax department has raised a demand of Rs.33.69 million in respect of Assessment Year 2016-17 based on transfer pricing order passed by Dispute Resolution Panel. The demand was raised on purchase of certain goods by the Holding Company from its associated enterprise wherein, according to income tax department, arms' length price adjustment was warranted. The Holding company is in the process of filing appeal before Income Tax Appellate Tribunal against the order passed.

v) In respect of custom duty demand, the Assessing Officer levied custom duty on certain exempted items imported by the Holding Company. The Holding Company has deposited the entire amount of demand under protest amounting to Rs. 4.00 million and the matter is pending before the Customs, Excise and Service Tax Appellate Tribunal (“CESTAT”). The Holding Company believes that it has merit in its case, hence no provision is required.

vi) In respect of sales tax / VAT demands for Delhi, Ahmedabad, Lucknow, Bengaluru, Patna, Ranchi, Chandigarh and Indore, the department has disallowed certain credit notes and non submission of statutory forms etc. The Company believes that it has merit in these cases and hence no provision is required.

vii) The Holding Company had manufactured and offered supply of certain vaccines which were manufactured against the confirmed order received from the Ministry of Health and Family Welfare ("MOHFW"). Some quantities of vaccines were supplied during December 2011, the balance could not be supplied in view of disputes with respect to delivery dates and in the meantime the stock of such vaccines amounting to Rs. 74.10 million expired. Further, the Company had also received an advance market commitment ("AMC") amounting to Rs. 100.00 million against these vaccines.

The refund of the advance so received (after adjusting the amount receivable against the vaccines already supplied) was demanded back by MOHFW along with interest on account of non-supply of balance quantities of vaccines. In view of above disputes, the Holding Company obtained a stay order from the Hon'ble Delhi High Court against recovery of said amount, till the disputes are finally resolved through arbitration. The arbitration award was pronounced in favour of the Holding Company on March 14, 2019, vide which MOHFW was directed to pay the applicable amount for vaccine supplied/offered for supply along with interest. MOHFW has filed an appeal before Hon'ble Delhi High Court raising certain objections against the award, which was dismissed by the Hon'ble Court. MOHFW has filed an appeal before Hon'ble Delhi High Court raising certain objections against the award, which was dismissed by the Hon'ble Court. MOHFW has filed an appeal against such order before the Division Bench of the Hon'ble Delhi High Court which is currently pending before the same. The Holding Company's application for execution of award is currently pending before the Hon'ble Delhi High Court. The Holding Company believes that the outcome of this matter will not have any material adverse impact on the financial position of the Holding Company.

viii) Radhika Heights Ltd. ("RHL") (initially known as Maxwell Impex (India) Private Limited) owns an industrial plot bearing No. G-3, Block B-1 Extn., Mohan Co-operative Industrial Estate, Mathura Road, New Delhi, which was earlier allotted to Shri Ramesh Chandra Aggarwal by way of Registered Perpetual Lease deed. Shri Ramesh Chandra Aggarwal formed a company in the name of Maxwell Impex (India) Private Limited and conveyed his perpetual lease/ sublease hold rights in respect of the said plot to it. The entire shareholding of this company was subsequently purchased by Panacea Biotec Limited from the shareholders of this company during financial year 1999-2000. In 2003, Delhi Development Authority ('DDA') floated a scheme for conversion of leasehold rights in to freehold rights on the basis of General Power of Attorney. RHL applied for conversion of the leasehold rights to freehold rights. RHL received a demand towards unearned increase charges of Rs.100.78 million from DDA vide its letter dated October 22, 2010 without disclosing the nature and the basis of demand. RHL has filed a writ petition with the Hon'ble Delhi High Court which is pending at present. Pursuant to the Scheme of Arrangement filed before the Hon'ble National Company Law Board Tribunal, Chandigarh (which is currently pending before it) the said property shall, inter-alia, be owned by the Holding Company's subsidiary, Meyten Realtech Pvt. Ltd. Based on legal advice, the Group believes that it has merits in this case, hence no provision for this demand towards unearned increase charge is currently recorded.

(B) Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided in the books are as follows:

(Rs. in million)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	64.55	46.54

b) Other commitments :

i) The Holding Company has received financial assistance in the form of soft loan under various projects from Department of Biotechnology, Department of Science & Technology and Technology Development Board respectively. As per the terms of related agreements, the Holding Company is also required to incur expenditure in the form of monetary contribution to the relevant projects. The amount of commitment is not quantifiable.

ii) Refer note 42 for commitments relating to lease arrangements.

42 Leases

Group as a lessee

Group has adopted Ind AS 116, Leases, effective April 1, 2019. The Group does not have any long term non cancellable leases. As on April 1, 2019, leasehold land has been transferred to Right of Use ("RoU") asset. Refer note 2.1 for details. Lease payments with respect to short term leases amounts to Rs. 28.67 million (March 31, 2020: Rs. 16.24 million) which has not been included in the measurement of lease liability.

Group as a lessor

The Group has leased out certain office and godown premises under short-term operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. There are no sublease payments expected to be received under non-cancellable subleases at the balance sheet date and no restriction is imposed by lease arrangements. Lease income amounting to Rs. 0.59 million (March 31, 2020: Rs. 0.15 million) has been recorded in the consolidated statement of profit and loss.

43 Research and development expenditure

Research and development expenditure incurred by the Group during the financial year are mentioned below:

(Rs. in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue expenditure		
Materials consumed	10.46	7.77
Employee benefits expense	107.86	81.00
Depreciation and amortisation expense	81.48	40.60
Other expenses	190.37	116.36
Capital expenditure	36.15	1.97
Total	426.32	247.70

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

44 Related party disclosures

(A) List of related parties and relationship with whom transactions have taken place:

(a) Joint Venture:

Chiron Panacea Vaccines Private Limited ("CPV") (Under liquidation)

(b) Key Management Personnel:
Mr. Soshil Kumar Jain - Chairman and Whole-time Director
Dr. Rajesh Jain - Managing Director
Mr. Sandeep Jain - Joint Managing Director
Mrs. Sunanda Jain - Whole-time Director (upto October 7, 2020)
Mr. Sumit Jain - Whole-time Director designated as Director Operations & Projects (upto October 7, 2020)
Mr. Ankesh Jain - Whole-time Director designated as Director Sales & Marketing
Mr. R. L. Narasimhan - Non-Executive Independent Director
Mr. N. N. Khamitkar - Non-Executive Independent Director
Mr. K. M. Lal - Non-Executive Independent Director
Mrs. Manjula Upadhyay - Non-Executive Independent Director
Mr. Mukul Gupta - Non-Executive Independent Director
Mr. Ashwini Luthra - Non-Executive Independent Director
Mr. Bhupinder Singh - Non-Executive Independent Director (w.e.f. April 8, 2019)
Mr. Nithin Krishna Kaimal - Non-Executive Director (from April 8, 2019 to December 10, 2019)
Mr. Shantanu Yeshwant Nalavadi - Non-Executive Director (w.e.f. December 10, 2019)
Mr. Vinod Goel - Group CFO and Head Legal & Company Secretary
Mr. Devender Gupta - Chief Financial Officer & Head Information Technology

(c) Enterprises over which Person(s) (having control or significant influence over the Company / Key management personnel(s), along with their relatives) are able to exercise significant influence:
Neophar Alipro Limited ("Neophar")
Lakshmi & Manager Holdings Limited ("LMH") (upto October 7, 2020),
Trinidhi Finance Private Limited ("Trinidhi") subsidiary of LMH (upto October 7, 2020)
Best General Insurance Company Limited (subsidiary of LMH) (upto October 7, 2020)
First Lucre Partnership Co. (holding shares in the Company as well as in RVHL)
White Pigeon Estate Private Limited (upto October 7, 2020)
OKI Estate Private Limited (upto October 7, 2020)
Panacea Life Sciences Limited (upto October 7, 2020)
Radhika Heights Limited ("RHL") (from September 11, 2020)
Ravinder Heights Limited ("RVHL") (from September 11, 2020)
Cabana Construction Private Limited (from September 11, 2020)
Cabana Structures Limited (from September 11, 2020)
Nirmala Buildwell Private Limited (from September 11, 2020)
Nirmala Organic Farms & Resorts Private Limited (from September 11, 2020)
Radicura Infra Limited (from September 11, 2020)
Sunanda Infra Limited (from September 11, 2020)

(d) Relatives of key management personnel having transactions with the Company:
Mr. Ashwani Jain, son-in-law of Mr. Soshil Kumar Jain
Mr. Shagun Jain, son-in-law of Mrs. Sunanda Jain, (upto October 7, 2020)
Mrs. Radhika Jain, daughter of Mrs. Sunanda Jain, (upto October 7, 2020)
Mrs. Shilpy Jain, wife of Mr. Sumit Jain and daughter-in-law of Mrs. Sunanda Jain, (upto October 7, 2020)
Mr. Harshet Jain, son of Dr. Rajesh Jain and brother of Mr. Ankesh Jain

(Rs. in million)

S. No.		Particulars	**For the year ended March 31, 2021**	For the year ended March 31, 2020
B.	Transactions with related parties:			
I)	Transactions made during the year:			
	a)	Rent income		
		CPV	0.36	0.36
		RHL	0.04	-
		RVHL	0.01	-
		Neophar	0.18	0.18
		Trinidhi	0.09	0.22
	b)	Rent expense		
		RHL	3.46	-
	c)	Interest expense		
		RHL	10.35	-
		Trinidhi	-	0.16
		Mr. Soshil Kumar Jain	12.60	11.65
		Dr. Rajesh Jain	14.96	11.17
		Mrs. Sunanda Jain	2.05	2.05
	d)	Legal and professional expense		
		Mrs. Sunanda Jain	1.05	-
		Mr. Sumit Jain	1.00	-
		Mrs. Shilpy Jain	0.68	0.58
	e)	Short-term employee benefits		
		Mr. Soshil Kumar Jain	11.20	11.50
		Mrs. Sunanda Jain	2.79	5.49
		Dr. Rajesh Jain	7.42	7.54
		Mr. Sandeep Jain	6.95	6.82
		Mr. Sumit Jain	2.18	4.40
		Mr. Ankesh Jain	2.63	2.56
		Mr. Vinod Goel	5.37	5.37
		Mr. Devender Gupta	3.99	3.99
		Mr. Ashwani Jain	2.99	2.99
		Mrs. Radhika Jain	2.11	2.11
		Mr. Harshet Jain	0.69	0.66
	f)	Post-employment benefits		
		Mr. Soshil Kumar Jain	17.15	16.69
		Dr. Rajesh Jain	9.46	6.75
		Mr. Sandeep Jain	8.60	6.14
		Mrs. Sunanda Jain	1.02	0.31
		Mr. Sumit Jain	2.75	1.84
		Mr. Ankesh Jain	0.80	0.54
		Mr. Vinod Goel	1.57	1.09
		Mr. Devender Gupta	0.91	0.60
		Mr. Ashwani Jain	2.00	1.40
		Mrs. Radhika Jain	0.58	0.41
		Mr. Harshet Jain	0.02	0.01
	g)	Directors' sitting fees		
		Mr. R. L. Narasimhan	0.31	0.28
		Mr. N. N. Khamitkar	0.30	0.19
		Mr. K. M. Lal	0.32	0.26
		Mrs. Manjula Upadhyay	0.20	0.15
		Mr. Mukul Gupta	0.25	0.10
		Mr. Ashwini Luthra	0.25	0.20
		Mr. Bhupinder Singh	0.25	0.20
	h)	Loan received		
		Dr. Rajesh Jain	52.00	-
	i)	Repayment of borrowings		
		Trinidhi	-	3.38
	j)	Excess managerial remuneration written off		
		Mr. Soshil Kumar Jain	-	38.94

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

S. No.		Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
		Mrs. Sunanda Jain	-	43.01
		Dr. Rajesh Jain	-	26.30
		Mr. Sandeep Jain	-	23.06
		Mr. Sumit Jain	-	15.35
		Mr. Ankesh Jain	-	7.31
II)	Year end balances:			
	1	Investments		
		CPV	-	22.96
	2	Borrowings		
		RHL	245.03	-
		Mr. Soshil Kumar Jain	125.21	125.20
		Dr. Rajesh Jain	172.02	120.02
		Mrs. Sunanda Jain	21.57	21.57
	3	Interest accrued on borrowings		
		Mr. Soshil Kumar Jain	22.14	10.48
		Dr. Rajesh Jain	23.89	10.05
		Mrs. Sunanda Jain	-	0.16
	4	Trade payables		
		RHL	8.90	-
		Mrs. Shilpy Jain	0.05	-
		Mr. Sumit Jain	0.20	-
		Mrs. Sunanda Jain	0.21	-
	5	Trade receivables		
		CPV	-	0.06
		RHL	0.99	-
		Trinidhi	0.10	-
		RVHL	0.09	-

(Rs. in million)

Particulars			Note	As at March 31, 2021	As at March 31, 2020
45	**Assets mortgaged/ hypothecated as security for borrowings are as under:**				
	Non current assets				
	a)	Property, plant and equipment	2.1	6,059.71	6,554.97
	b)	Capital work in progress	2.2	183.23	65.92
	c)	Other Intangible assets	2.3	13.64	11.41
	d)	Intangible assets under development	2.4	131.75	144.99
	e)	Financial assets			
		(i) Loans	4	12.25	11.80
		(ii) Other financial assets	5	55.78	5.68
	f)	Other non-current assets	8	138.38	134.55
	Total non-current assets			6,594.74	6,929.32
	Current assets				
	a)	Inventories	9	1,688.04	1,462.95
	b)	Financial assets			
		(i)Trade receivables	10	774.67	62.15
		(ii) Cash and cash equivalents	11	129.33	190.33
		(iii) Bank balances other than cash and cash equivalents	12	837.16	495.33
		(iv) Loans	13	41.32	41.97
		(v) Others financial assets	14	106.08	62.66
	c)	Other current assets	15	626.51	413.57
	Total current assets			4,203.11	2,728.96
	Assets classified as held for sale and discontinued operations		38	367.45	638.39
	Total assets mortgaged/hypothecated as security			11,165.30	10,296.67

Note: The above assets have been mortgaged/hypothecated for securing the debts of the Holding Company and/or PBPL. Also refer note 18 A.

46 Segment information

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

a. Vaccines

b. Formulations

c. Real estate

(A) Information about reportable segments

(Rs. in million)

Particulars	Vaccines		Formulations		Real Estate		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
Segment revenue	2,278.34	1,404.15	3,969.71	4,036.47	-	-	6,248.05	5,440.62
Less: revenue from discontinued operations	-	-	-	-	-	-	-	-
Total revenue from continuing operations	2,278.34	1,404.15	3,969.71	4,036.47	-	-	6,248.05	5,440.62
Segment result	(214.07)	(966.81)	(1,228.39)	(745.39)	(7.84)	(61.24)	(1,450.30)	(1,773.44)
Less: Loss from discontinued operations	-	-	-	-	(7.84)	(61.24)	(7.84)	(61.24)
Net segment results from continuing operations	(214.07)	(966.81)	(1,228.39)	(745.39)	-	-	(1,442.46)	(1,712.20)

Particulars	Vaccines		Formulations		Real Estate		Total	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Other Information								
Segment assets	7,531.17	7,385.89	4,256.98	3,586.82	-	2,930.29	11,788.15	13,903.00
Reclassified as assets held for sale (refer note 38)	367.45	307.45	-	-	-	-	367.45	307.45
Transferred to discontinued operations (refer note 38)	-	-	-	-	-	2,930.29	-	2,930.29
Total assets	7,163.72	7,078.44	4,256.98	3,586.82	-	-	11,420.70	10,665.26
Segment liabilities	2,117.08	1,489.26	11,988.00	10,071.89	-	384.36	14,105.08	11,945.51
Transferred to discontinued operations (refer note 38)	-	-	-	-	-	384.36	-	384.36
Total liabilities	2,117.08	1,489.26	11,988.00	10,071.89	-	-	14,105.08	11,561.15
Capital expenditure								
Tangible assets	145.90	5.13	66.56	14.04	-	0.06	212.46	19.23
Intangible assets	-	0.55	-	3.39	-	-	-	3.94
Depreciation expense	261.52	269.07	194.42	163.12	4.80	9.16	460.74	441.35
Total	407.42	274.75	260.98	180.55	4.80	9.22	673.20	464.52
Total expenditure for discontinued operations	-	-	-	-	4.80	9.22	4.80	9.22

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(B) Additional information by geographies

(Rs. in million)

Segment	Domestic		Overseas	
	For the year ended		For the year ended	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
a) Revenue as per geographical markets:				
Vaccines	856.73	866.30	1,421.61	537.85
Formulations	2,252.33	2,847.51	1,717.38	1,188.96
Real Estate	-	-	-	-
Total	3,109.06	3,713.81	3,138.99	1,726.81
Revenue from discontinued operations	-	-	-	-
Total Revenue from continuing operations	3,109.06	3,713.81	3,138.99	1,726.81

Segment	Domestic		Overseas	
	As at		As at	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
b) Assets (net) as per geographical markets:				
Vaccines	7,531.17	7,385.89	-	-
Formulations	3,691.08	3,276.90	565.90	309.92
Real Estate	-	2,930.29	-	-
Total	11,222.25	13,593.08	565.90	309.92
Assets classified as held for sale and transferred to discontinued operations (refer note 38)	367.45	3,237.74	-	-
Total	10,854.80	10,355.34	565.90	309.92
c) Revenue from one customers contributing more than 10% of segmental revenue:				
Vaccines	-	-	17.49%	-
Formulations	-	-	-	-
Real Estate	-	-	-	-
Total	-	-	17.49%	-

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

47 Employee benefits obligations

A. Defined benefit plan

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Gratuity (funded)

The Group provides for gratuity for employees in India as per the Payments of Gratuity Act, 1972 to Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The Group expects to contribute Rs 36.48 million (March 31, 2020: Rs 14.53 million) towards gratuity during next year

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 13.93 years (March 31, 2020: 13.27 years)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(Rs. in million)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
	Present value of defined benefit obligation as at the end of the year	223.75	212.59
	Fair value of plan assets as at the end of the year	51.67	40.81
	Net liability position recognised in balance sheet*	172.08	171.78
	* includes Rs. Nil (March 31, 2020: Rs. 4.52 million) pertaining to discountined operations.		
b.	Changes in defined benefit obligation		
	Present value of defined benefit obligation as at the start of the year	212.59	231.76
	Interest cost	7.41	17.75
	Current service cost	20.57	20.03
	Transferred on account of demerger	(4.37)	-
	Benefits paid	(10.45)	(20.13)
	Actuarial (gain)/loss on defined benefit obligations	(2.00)	(36.82)
	Present value of defined benefit obligation as at the end of the year	223.75	212.59
c.	Net interest cost		
	Interest cost on defined benefit obligation	7.41	17.75
	Interest income on plan assets	1.52	2.92
	Net interest cost	5.89	14.83
d.	Amount recognised in the statement of profit and loss		
	Current service cost	20.57	20.03
	Net interest cost	5.89	14.83
	Amount recognised in the statement of profit and loss	22.09	34.86
e.	Change in plan assets		
	Fair value of the plan assets at the beginning of the year	40.81	38.07
	Actual return on plan assets	3.30	3.46
	Employer contribution	16.37	18.65
	Fund management charges	(0.25)	(5.26)
	Benefits paid	(8.56)	(14.10)
	Fair value of the plan assets at the end of the year	51.67	40.81
f.	Key categories of plan assets as a percentage of the fair value of total plan assets for gratuity		
	Investment with insurer	100%	100%
g.	Other comprehensive income		
	Actuarial loss on arising from change in demographic assumption	-	-
	Actuarial (gain)/loss on arising from change in financial assumption	-	(18.03)
	Actuarial loss on arising from experience adjustment	(2.00)	(18.75)
	Actuarial loss on arising on plan assets	(19.20)	(0.02)
	Total actuarial loss for the year	(21.20)	(36.80)
h.	Actuarial assumptions		
	Discount rate	6.76%	6.76%
	Future salary increase	6.00%	6.00%
i.	Demographic Assumption		
	Retirement age (years)	60/75	60/75
	Mortality rates inclusive of provision for disability	100%	100%
	Ages	Withdrawal Rate (%)	
	Up to 30 years	10.00%	10.00%
	From 31 to 44 years	5.00%	5.00%
	Above 44 years	1.00%	1.00%
j.	Sensitivity analysis for gratuity liability		
	Impact of the change in discount rate		
	a) Impact due to increase of 0.50%	(9.96)	(9.98)
	b) Impact due to decrease of 0.50%	10.79	10.86
	Impact of the change in salary increase		
	a) Impact due to increase of 0.50%	9.57	9.54
	b) Impact due to decrease of 0.50%	(8.98)	(8.96)
k.	Maturity profile of defined benefit obligation		
	With in next 12 months	40.64	11.87
	Between 1-5 years	41.74	42.05
	Beyond 5 years	141.37	158.67

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

B The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the said period.

C. Defined contribution plans

The Group's contribution to state governed provident fund, employees' state insurance scheme and labour welfare fund scheme are considered as defined contribution plans. The contribution for the current year is Rs. 51.76 million (March 31, 2020 : Rs. 49.85 million) is recognised as an expense, when an employee renders the related service. There are no other obligations of the Group, other than the contribution payable to the respective funds.

48 Fair value measurements

A Financial assets and liabilities

The carrying amounts and fair values of financial instruments by class are as follows:

(Rs. in million)

As at March 31, 2021	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
(i) Investments	0.70	-	-
(ii) Trade receivables	-	-	846.84
(iii) Cash and cash equivalents	-	-	520.79
(iv) Bank balances other than cash and cash equivalents	-	-	837.14
(v) Loans	-	-	55.14
(vi) Others financial assets	-	-	162.16
Total	0.70	-	2,422.07
Financial Liabilities			
(i) Borrowings	-	-	8,195.26
(ii) Trade payables	-	-	2,219.44
(iii) Other financial liabilities	-	-	2,226.58
Total	-	-	12,641.28

(Rs. in million)

As at March 31, 2020	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial Assets			
(i) Investments	0.70	-	-
(ii) Trade receivables	-	-	685.19
(iii) Cash and cash equivalents	-	-	402.18
(iv) Bank balances other than cash and cash equivalents	-	-	495.33
(v) Loans	-	-	55.60
(vi) Others financial assets	-	-	68.62
Total	0.70	-	1,706.92
Financial Liabilities			
(i) Borrowings	-	-	7,421.87
(ii) Trade payables	-	-	1,988.52
(iii) Other financial liabilities	-	-	1,376.91
Total	-	-	10,787.30

B Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

The different levels of fair value have been defined below:

Level 1: Quoted prices (unadjusted) in an active market for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2021	Level 1	Level 2	Level 3
Investments	-	0.70	-
As at March 31, 2020	Level 1	Level 2	Level 3
Investments	-	0.70	-

49 Financial risk management

Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A. Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counter parties and incorporates this information into its credit risk controls.

A.1 Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets:

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

Asset Company	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, Bank balances other than cash and cash equivalents, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss or 12 month expected credit loss*
High credit risk	Trade receivables and loans	Life time expected credit loss or fully provided for

*In respect of trade receivables, the Group recognises a provision for lifetime expected credit losses

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(Rs. in million)

Particulars	Credit rating	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	A: Low credit risk	520.79	402.18
Bank balances other than cash and cash equivalents	A: Low credit risk	837.14	495.33
Loans	A: Low credit risk	55.14	55.60
Other financial assets	A: Low credit risk	162.16	68.62
Trade receivables	B: Medium credit risk	846.84	685.19
Trade receivables	C: High credit risk	41.06	27.35
Loans	C: High credit risk	586.41	585.16

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become two year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to related parties and employees, security deposits and others (refer note 44). Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

A.2 Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of loans, comprising of security deposits, credit risk is considered low because the Group is in possession of the underlying asset. However, in respect of loans comprising loans to related parties, credit risk is evaluated on the basis of credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. In respect of other financial assets, credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based impairment recognised (except in case of loans to related parties) on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

As at March 31, 2021 (Rs. in million)

Particulars	Estimated gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	520.79	0.00%	-	520.79
Bank balances other than cash and cash equivalents	837.14	0.00%	-	837.14
Loans	641.55	91.41%	586.41	55.14
Other financial assets	162.16	0.00%	-	162.16

As at March 31, 2020 (Rs. in million)

Particulars	Estimated gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	402.18	0.00%	-	402.18
Bank balances other than cash and cash equivalents	495.33	0.00%	-	495.33
Loans	640.76	91.32%	585.16	55.60
Other financial asset	68.62	0.00%	-	68.62

Reconciliation of loss allowance for loans (Rs. in million)

Particulars	Amount
Loss allowance as on April 1, 2019	-
Expected loss recognised/(reversed) during the year	585.16
Loss allowance as on March 31, 2020	585.16
Expected loss recognised/(reversed) during the year	1.25
Loss allowance as on March 31, 2021	586.41

A.3 Expected credit loss for trade receivables under simplified approach

The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein the Group has defined percentage of provision by analysing historical trend of default relevant to each category of customer based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). The Company has other trade receivables for Rs. 234.94 million (March 31, 2020: Rs. 26.06 million) against which it is carrying unsecured payables for corresponding amount for whose default criteria are not met and are not included in the below table.

As at March 31, 2021 (Rs. in million)

Particulars	Not Due	Post due days						Total
		0-30 days	31-90 days	91-182 days	183-365 days	366-730 days	More than 730 days	
Gross carrying amount	417.13	90.27	53.01	17.09	22.13	22.66	30.67	652.96
Expected loss rate	0.37%	0.86%	0.15%	2.25%	2.62%	31.03%	100.00%	6.29%
Expected credit loss	1.54	0.78	0.08	0.38	0.58	7.03	30.67	41.06
Carrying amount (net of impairment)	415.59	89.49	52.93	16.71	21.55	15.63	-	611.90

As at March 31, 2020 (Rs. in million)

Particulars	Not Due	Post due days						Total
		0-30 days	31-90 days	91-182 days	183-365 days	366-730 days	More than 730 days	
Gross carrying amount	314.68	133.12	142.29	22.75	33.82	23.88	15.94	686.48
Expected loss rate	1.05%	0.59%	0.84%	4.59%	11.42%	5.12%	100.00%	3.98%
Expected credit loss	3.30	0.79	1.20	1.04	3.86	1.22	15.94	27.35
Carrying amount of trade receivables	311.38	132.33	141.09	21.71	29.96	22.66	-	659.13

Changes in allowance for trade receivables (Rs. in million)

Particulars	Amount
As at March 31, 2019	132.36
Movement during the year	(105.01)
As at March 31, 2020	27.35
Loss recognised/(reversed) during the year	13.71
As at March 31, 2021	41.06

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

B.1 Contractual Maturities of financial liabilities

The tables below analyse the Group's financial liabilities based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2021 (Rs. in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	1,561.76	369.20	369.67	14,495.96	16,796.59
(ii) Trade payables	2,219.44	-	-	-	2,219.44
(iii) Other financial liabilities	63.31	-	-	-	63.31
Total	3,844.51	369.20	369.67	14,495.96	19,079.34

As at March 31, 2020 (Rs. in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Borrowings including interest thereon	2,180.04	52.29	39.50	13,733.53	16,005.36
(ii) Trade payables	1,988.52	-	-	-	1,988.52
(iii) Other financial liabilities	67.19	-	-	-	67.19
Total	4,235.75	52.29	39.50	13,733.53	18,061.07

C. Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's non-current and current debt obligations financed with fixed interest rates. The Group always try to ensure minimum cash outflows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility.

In view of the above, the Group is not exposed to fluctuation in interest rate risk on borrowings.

(ii) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, CHF, JPY, CAD, GBP, KZT, RUB, SEK and TBH. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. The Group does not use any derivative instruments to manage its exposure. Also, the Group does not use forward contracts and swaps for speculative purposes.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

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

Particulars in Foreign currency	As at March 31, 2021			As at March 31, 2020		
	Amount in foreign currency	Closing rate	Amount in reporting currency (Rs. in million)	Amount in foreign currency	Closing rate	Amount in reporting currency (Rs. in million)
(i) Financial assets						
Balance with banks						
United States Dollar ('USD')	210,003	73.11	15.35	10,415	75.55	0.79
Euro ('EUR')	4,566,118	85.78	391.66	2,531,419	83.09	210.32
Swiss Franc ('CHF')	15,538	77.49	1.20	12,980	78.43	1.02
Kazakhstani Tenge ('KZT')	52,110	0.21	0.01	52,110	0.21	0.01
Russian Ruble ('RUB')	37,482	0.97	0.04	4,431	0.96	0.00
(ii) Accrued receivable						
United States Dollar ('USD')	567,356	73.11	41.48	-	-	-
(iii) Trade receivable						
Euro ('EUR')	3,211,964	85.77	275.49	1,948,810	83.09	161.92
Swiss Franc ('CHF')	1,794	77.49	0.14	2,582	78.43	0.20
United States Dollar ('USD')	3,661,564	73.11	267.70	1,232,023	75.55	93.08
Financial liabilities						
Foreign trade payable						
United States Dollar ('USD')	3,142,454	73.12	229.78	2,541,600	75.58	192.09
Euro ('EUR')	4,919,906	85.83	422.28	3,384,609	83.14	281.39
Pound Sterling ('GBP')	35,002	100.86	3.53	36,961	93.60	3.46
Swiss Franc ('CHF')	84,399	77.55	6.55	105,833	78.43	8.30
Japanese Yen ('JPY')	2,722,810	0.66	1.80	2,722,810	0.70	1.91
Swedish Krona ('SEK')	16,820	8.38	0.14	16,820	7.63	0.13
Canadian Dollar ('CAD')	43,428	58.26	2.53	43,428	53.60	2.33
Thai Baht ('THB')	5,547	2.34	0.01	5,547	2.30	0.01
Net exposure						
United States Dollar ('USD')	1,296,468	-	94.75	(1,299,162)	-	(98.23)
Euro ('EUR')	2,858,175	-	244.87	1,095,619	-	90.85
Pound Sterling ('GBP')	(35,002)	-	(3.53)	(36,961)	-	(3.46)
Swiss Franc ('CHF')	(67,067)	-	(5.20)	(90,272)	-	(7.08)
Russian Ruble ('RUB')	37,482	-	0.04	4,431	-	0.00
Thai Baht ('THB')	(5,547)	-	(0.01)	(5,547)	-	(0.01)
Swedish Krona ('SEK')	(16,820)	-	(0.14)	(16,820)	-	(0.13)
Canadian Dollar ('CAD')	(43,428)	-	(2.53)	(43,428)	-	(2.33)
Kazakhstani Tenge ('KZT')	52,110	-	0.01	52,110	-	0.01
Japanese Yen ('JPY')	(2,722,810)	-	(1.80)	(2,722,810)	-	(1.91)

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

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

(Rs. in million)

	+/(-) in basis points	Profit for the year	
		As at March 31, 2021	As at March 31, 2020
United States Dollar ('USD')	200	1.23	(1.28)
	-200	(1.23)	1.28
Euro ('EUR')	500	7.97	2.96
	-500	(7.97)	(2.96)
Pound Sterling ('GBP')	500	(0.11)	(0.11)
	-500	0.11	0.11
Japanese Yen ('JPY')	200	(0.02)	(0.02)
	-200	0.02	0.02
Swiss Franc ('CHF')	200	(0.07)	(0.09)
	-200	0.07	0.09

50 Group information

Information about subsidiary/entity consolidated

The Consolidated Financial statements of the Group include entities listed in the table below:

(Rs. in million)

S.No.	Name of entity	Country of Incorporation	Proportion (%) of equity interest As at March 31, 2021	As at March 31, 2020
A.	Subsidiaries of Panacea Biotec Limited #			
	Radhika Heights Limited^	India	0.00%	100.00%
	Ravinder Heights Limited^	India	0.00%	100.00%
	Meyten Realtech Private Limited	India	100.00%	100.00%
	Panacea Biotec Pharma Limited	India	100.00%	100.00%
	Panacea Biotec (International) SA	Switzerland	100.00%	100.00%
	PanEra Biotec Private Limited*	India	50.00%	50.00%
	Adveta Power Private Limited*	India	75.00%	75.00%
B.	Joint Venture			
	Chiron Panacea Vaccine Private Limited (under liquidation)	India	0.00%	50.00%

excluding names for step down subsidiaries, since consolidated financial information of these entities is used for preparing these Consolidated Financial Statements.

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

^ Demerged on September 10, 2020

51 Additional information, as required under Schedule III of the Companies Act, 2013, of the enterprises consolidated as subsidiaries / entities consolidated:

(Rs. in million)

S. No.	Name of entity	Net assets (assets minus liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent									
	Panacea Biotec Limited	-219.35%	5,082.27	-45.37%	669.96	168.41%	13.81	-46.57%	683.77
Subsidiary#									
1	Radhika Heights Limited	0.00%	-	0.97%	(14.27)	0.00%	-	0.97%	(14.27)
2	Ravinder Heights Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	Meyten Realtech Pvt. Ltd.	0.01%	(0.30)	0.05%	(0.69)	0.00%	-	0.05%	(0.69)
4	Panacea Biotec Pharma Limited	327%	(7,566.47)	151.55%	(2,237.74)	1.95%	0.16	152.38%	(2,237.58)
5	Panacea Biotec (International) SA	-7.95%	184.22	-7.10%	104.89	-70.37%	(5.77)	-6.75%	99.12
6	PanEra Biotec Private Limited*	1.87%	(43.24)	-0.04%	0.52	0.00%	-	-0.04%	0.52
7	Adveta Power Private Limited*	-1.15%	26.57	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
	Joint Venture								
	Chiron Panacea Vaccine Private Limited (under liquidation)	0.00%	-	-0.05%	0.77	0.00%	-	-0.05%	0.77
	Total	100.00%	(2,316.95)	100.00%	(1,476.58)	100.00%	8.20	100.00%	(1,468.38)

excluding names for step down subsidiaries, since consolidated financial information of these entities is used for preparing these Consolidated Financial Statements.

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

52 Capital management policies

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern as well as to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position recognised in other comprehensive income.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The amounts managed as capital by the Group are summarised as follows:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

(Rs. in million)

Particulars	**As at March 31, 2021**	As at March 31, 2020
Non-current borrowings including interest accrued on borrowings	10,358.54	8,695.91
Current borrowings	-	35.68
Less: Cash and cash equivalents	(520.79)	(402.18)
Net debt	9,837.75	8,329.41
Total equity	(2,316.93)	1,957.49
Net debt to equity ratio	-424.60%	425.51%

53 Reconciliation of liabilities arising out of financing activities

The changes in the Group's liabilities arising from financing activities are classified as follows:

(Rs. in million)

Particulars	Long term borrowings*	Short term borrowings	Total
As at April 1, 2020	7,386.19	35.68	7,421.87
Cash changes:			
- Proceeds	1,012.00	-	1,012.00
- Repayment	(453.46)	(35.68)	(489.14)
Other non-cash changes			
- adjustment on account of demerger	245.02	-	245.02
- Notional interest expense recorded on less than market rate loans and others (net)	5.51	-	5.51
As at March 31, 2021	8,195.26	0.00	8,195.26

*including current maturities of long term borrowings

(Rs. in million)

Particulars	Long term borrowings*	Short term borrowings	Total
As at April 1, 2019	5,771.10	693.85	6,464.95
Cash changes:			
- Proceeds	7,430.00	-	7,430.00
- Repayment	(5,733.90)	(658.17)	(6,392.07)
Other non-cash changes			
- Foreign currency monetary item translation difference	(4.54)	-	(4.54)
- Notional interest expense recorded on less than market rate loans and others (net)	(76.47)	-	(76.47)
As at March 31, 2020	7,386.19	35.68	7,421.87

*including current maturities of long term borrowings

54 Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at year end are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity#	Place of business/ country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interest		Principal activities
		As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020	
		%	%	%	%	
Radhika Heights Limited^	India	-	100	-	-	Real estate
Ravinder Heights Limited^	India	-	100	-	-	Real estate
Meyten Realtech Private Ltd.	India	100	100	-	-	Real estate
Panacea Biotec Pharma Limited	India	100	100	-	-	Pharmaceuticals
Panacea Biotec (Intl.) SA	Switzerland	100	100	-	-	Pharmaceuticals
PanEra Biotec Private Limited*	India	50	50	50	50	Vaccines
Adveta Power Private Limited*	India	75	75	25	25	Power generation

excluding names for step down subsidiaries, since consolidated financial information of these entities is used for preparing these Consolidated Financial Statements.

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

^ Demerged on September 10, 2020

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(Rs. in million)

Summarised balance sheet	PanEra Biotec Private Limited		Adveta Power Private Limited	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Current assets	32.17	32.98	0.15	0.14
Current liabilities	101.94	104.72	28.68	28.59
Net current assets	(69.77)	(71.74)	(28.53)	(28.45)
Non-current assets	9.47	10.63	29.15	29.15
Non-current liabilities	-	-	-	-
Net non-current assets	9.47	10.63	29.15	29.15
Net assets	(60.30)	(61.11)	0.62	0.70
Accumulated NCI	(30.15)	(30.56)	0.15	0.18

(Rs. in million)

Summarised statement of profit and loss	PanEra Biotec Private Limited		Adveta Power Private Limited	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue	0.43	0.33	-	-
Profit/(loss) of the year	0.79	(0.52)	(0.08)	(0.13)
Other comprehensive income	-	-	-	-
Total comprehensive income	0.79	(0.52)	(0.08)	(0.13)
Profit/(loss) allocated to NCI	0.40	(0.26)	(0.02)	(0.03)
Dividend paid to NCI	-	-	-	-

(Rs. in million)

Summarised cash flows	PanEra Biotec Private Limited		Adveta Power Private Limited	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities	(0.04)	(5.17)	(0.00)	(0.05)
Cash flows from investing activities	-	3.93	-	-
Cash flows from financing activities	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	(0.04)	(1.24)	(0.00)	(0.05)

(c) There are no transactions with non-controlling interests.

(d) Interests in joint venture

Set out below are the joint ventures of the Group as at year end which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

(Rs. in million)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					As at March 31, 2021	As at March 31, 2020
Chiron Panacea Vaccines Private Limited (under liquidation)*	India	50	Joint Venture	Equity method	-	55.11
Total equity accounted investments					-	55.11

Chiron Panacea Vaccines Private Limited (under liquidation) was engaged in marketing of vaccine with significant presence in all parts of India. However, it was decided to voluntarily wind-up the same during FY 2013-14. During the year, the Holding Company has received the funds in proportion to its holding in the joint venture company. Accordingly, the Company has booked surplus received over and above its investment as profit on liquidation in joint venture. The final liquidator's statement of account has been submitted with the official liquidator and the further activities for closure of winding up process are in progress.

* Unlisted entity – no quoted price available.

Contingent liabilities and commitments

The Group has Nil contingent liabilities and commitments in respect of joint venture.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021

55 For the financial year ended March 31, 2021, the Group has incurred a loss (before tax and exceptional items) of Rs. 1,442.46 million (year ended March 31, 2020: loss of Rs. 1,558.23 million) from continuing operations. The Group has already taken various measures aimed at improving the financial condition of the Company, inter-alia, collaborating with Limited Liability Company Human Vaccine, an indirect subsidiary of Russian Direct Investment Funds ('RDIF'), Russia's sovereign wealth fund, for producing Covid-19 vaccine 'Sputnik-V', ongoing discussion between PBPL and its debenture-holders as mentioned in note 18A above, raising of funds from the investors, deployed funds received from the investor for suitable purpose including scaling up its vaccine as well as pharmaceutical formulations business in India and international markets, besides expediting development of new products and monetization of non-core assets to reduce debts. Based on these measures and continuous efforts to improve the business performance, the management believes that it would be able to generate sustainable cash flows, recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and has therefore concluded that the going concern assumption continues to be valid.

56 In view of the Holding Company's decision to make the structure of overseas subsidiaries more efficient and aligned to business objectives and to save management and administrative expenses thereof, the Holding Company has decided to wind up Panacea Biotec (International) SA ("PBS") in due course. Accordingly, the Holding Company has created 'Provision for impairment on its investment in PBS. Owing to accumulated losses in PBS and its wholly-owned subsidiary, Panacea Biotec Germany GmbH (PBGG), the Holding Company has continued to maintain the provision for bad and doubtful advances in respect of the loans receivable and accrued interest from PBS and PBGG also amounting to Rs. 89.73 million and Rs. 296.14 million, respectively, as on March 31, 2021 (March 31, 2020: Rs. 82.97 million and Rs. 273.84 million, respectively). The Holding Company has applied with the authorized dealer to seek permission from Reserve Bank of India for writing off an amount of Rs.585.16 million which is receivable from the Company's erstwhile wholly owned subsidiary Rees Investment Ltd. (" Rees"), which was compulsory liquidated and dissolved by the authorities of Guernsey on May 23, 2019. Pending such approval, the Company is continuing to maintain the provision for bad and doubtful advances of Rs. 585.16 million (March 31, 2020: Rs. 585.16 million) in respect of the loan and accrued interest receivable from Rees.

57 0.00 under "Rs. in million" represents amount less than Rs.50,000 and 0.00 under units represents units less than 50,000. Further, the figures shown in the tables may not exactly add up due to rounding off. Previous year figures have been regrouped, reclassified wherever considered necessary.

As per our report of even date

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

Arun Tandon
Partner
Membership No. 517273

Place : New Delhi
Date : June 2, 2021

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

Soshil Kumar Jain
Chairman
(DIN 00012812)

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Vinod Goel
Group CFO and Head Legal
& Company Secretary

Devender Gupta
Chief Financial Officer &
Head Information Technology

Panacea Biotec In News

moneycontrol

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Sputnik V vaccine: Panacea Biotec's Baddi unit gets license from DCGI to manufacture jabs

"The said batches have successfully passed all the checks for quality parameters both at the Gamaleya Center in Russia and at the Central Drug Laboratory, Kasauli, Himachal Pradesh in India," Panacea told stock exchanges on July 5.

VISWANATH PILLA

Panacea Biotec: Serum Institute of India sold 3,00,594 equity shares in company at Rs 241.35 per share on the NSE.

Panacea Biotec announced that it had received a license from the Drugs Controller General of India (DCGI) to manufacture Sputnik V vaccine against COVID-19 at its Baddi facility in Himachal Pradesh.

The license is a necessary condition for using Sputnik V produced by Panacea Biotec in India.

Panacea said the batches produced at Panacea Biotec's facilities at Baddi, Himachal Pradesh were earlier shipped to the Gamaleya Center in Russia for quality control.

"The said batches have successfully passed all the checks for quality parameters both at the Gamaleya Center in Russia and at the Central Drug Laboratory, Kasauli, Himachal Pradesh in India," Panacea told stock exchanges on July 5.

Panacea is manufacturing Sputnik V in a collaboration with Russia's sovereign wealth fund Russian Direct Investment Fund (RDIF). RDIF has signed fixed price manufacturing contracts with half a dozen India companies including Panacea. Except for Panacea, others were manufacturing the vaccine for the first time. Dr Reddy's will be distributing the first 250 million doses that inoculate 125 million people.

THE ECONOMIC TIMES | Industry

English Edition | E-Paper

RDIF, Panacea Biotec to produce 100 million doses of Sputnik V vaccine in India per year

PTI

Synopsis

Indian biotech firm Panacea Biotec Ltd has agreed to produce 100 million doses of Russia's Sputnik V COVID-19 vaccine annually.

The Russian Direct Investment Fund (RDIF) and drug firm Panacea Biotec on Monday said they have agreed to produce 100 million doses per year of Sputnik V COVID-19 vaccine in India.

"Cooperation with Panacea Biotec is an important step to produce the vaccine in India and to supply our international partners around the world," Russian Direct Investment Fund CEO Kirill Dmitriev said.

Vaccine partnerships are the only way to overcome the pandemic, he added.

Panacea Biotec MD Rajesh Jain said, "We are pleased to collaborate with RDIF to produce Sputnik V for global markets. Panacea Biotec brings decades of vaccine manufacturing and distribution know-how to scale-up Sputnik V supplies".

Panacea Biotec will produce Sputnik V in its internationally accredited facilities complying to strict GMP standards and prequalified by the World Health Organization (WHO), he added.

Efficacy of Sputnik V is 91.6 per cent as confirmed by the data published in the leading medical journal, Lancet. It has been registered in 59 countries globally, the statement said.

The price of Sputnik V is less than USD 10 per shot, it added.

RDIF has already partnered with other Indian pharma firms such as Hetero, Gland Pharma and Stelis Biopharma to produce millions of Sputnik V Vaccine in India.

The Tribune

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HEALTH

Panacea Biotec completes Phase I/II study of DengiAll vaccine

DengiAll is a single-dose live-attenuated tetravalent vaccine

Photo for representational purpose only

New Delhi, September 14

Drug firm Panacea Biotec on Thursday said it has successfully completed Phase I/II clinical study to evaluate the safety and immunogenicity of its DengiAll vaccine.

According to the World Health Organization, dengue represents one of the 10 biggest global health threats and it is critical to have access to a safe and effective vaccine candidate that can reduce the devastating impact of dengue fever in endemic regions, Panacea Biotec said in a BSE filing.

DengiAll is a single-dose live-attenuated tetravalent vaccine. "It induced robust, balanced neutralising antibody responses against all the four dengue virus serotypes", it said.

Business Standard

Panacea Biotec to manufacture up to 25 mn doses of Sputnik V vaccine

Shares of Panacea Biotec ended at Rs 356.40 per scrip on BSE, up 2.77 per cent from its previous close.

Topics

Coronavirus | Coronavirus Tests | Coronavirus Vaccine

Press Trust of India | New Delhi

Panacea Biotec on Thursday said it has entered into a pact to produce up to 25 million doses of Sputnik V COVID-19 vaccine using the drug substance manufactured by pharma firm Generium in Russia.

The company has entered into a "licensing and manufacturing agreement with Human Vaccine Limited Liability Company, a subsidiary of Russian Direct Investment Fund, Russia, Generium Joint Stock Company,Russia, and Dr Reddy's Laboratories Ltd," Panacea Biotec said in a filing to BSE.

As per the terms of this agreement, Panacea Biotec shall produce the Sputnik V vaccine using the ready-to-fill drug substance manufactured by Generium in Russia, and then supply the entire quantity to Dr Reddy's for distribution in India, it added.

"The agreement is for manufacture (fill and finish) of upto 25 million doses of Sputnik V vaccine," Panacea Biotec added.

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THE HINDU

BUSINESS

Panacea gains on DCGI nod for Sputnik V

SPECIAL CORRESPONDENT

HYDERABAD

Panacea Biotec has received a licence from the Drugs Controller General of India (DCGI) to manufacture Sputnik V, a development that saw the shares of the vaccine and pharmaceutical maker gain 5% on Monday.

The licence is a necessary condition for using Sputnik V produced by the company in India, said Panacea Biotec, which is among the clutch of firms with whom the Russian Direct Investment Fund (RDIF) has collaborated in the country for manufacture of the vaccine against COVID-19.

Batches of the vaccine produced at its facilities in Baddi, Himachal Pradesh, were shipped earlier to the Gamaleya Center in Russia for quality control. The batches "successfully passed all the checks for quality parameters both at the Gamaleya Center and at the Central Drug Laboratory, Kasauli, Himachal Pradesh," the company said on Sunday. Shares of Panacea closed at ₹397.35 apiece, a gain of 5.29%, before touching ₹411 intra day.

Managing Director Rajesh Jain thanked Prime Minister Narendra Modi and the Government of India for timely handholding and expediting clearances. The third vaccine approved for use in the country, Sputnik was rolled out by RDIF's marketing partner Dr. Reddy's Laboratories in May as part of a limited pilot launch, while commercial launch of the vaccine is awaited.

THE HINDU

Our code of editorial values

Panacea Biotec

Innovation in support of life

Panacea Biotec Ltd.

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