Panacea Biotec Pharma Limited

Annual Report 2022-23

Contents

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

Dr. Rajesh Jain - Managing Director

Mr. Narotam Kumar Juneja - Whole-time Director

Mr. Ankesh Jain

Mrs. Manjula Upadhyay

Registered Office

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

Manufacturing Facility

Malpur, Baddi, Dist. Solan,
Himachal Pradesh - 173 205, India

R&D Centre

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

Secretarial Auditors

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

Cost Auditors

M/s. Jain Sharma & Associates,
Cost Accountants, New Delhi, India

Registrar & Transfer Agents

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
ICICI Bank Limited
Kotak Mahindra Bank

CIN: U24299DL2019PLC347566

Information as on August 12, 2023

Panacea Biotec
Innovation in support of life

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 4th Annual Report on the business and operations of the Company together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2023.

Performance Highlights

The highlights of financial results of the Company are summarized below:

(₹ in million)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	1,873.61	3,908.31
Other Income	297.36	128.56
Total Income	**2,170.97**	**4,036.87**
Total Expenses	2,334.57	5,301.50
Depreciation & Amortization Expenses	144.26	187.73
Profit / (Loss) before tax and exceptional items	(307.86)	(1,452.36)
Exceptional items	1,026.61	16,762.06
Profit / (Loss) before Tax (PBT)	718.75	15,309.70
Profit / (Loss) after Tax (PAT)	517.66	11,601.79
Total Comprehensive Income / (Loss) for the year	521.26	11,595.75

Business Performance

Your Company has an established business of research, development and manufacturing of pharmaceutical formulations in India and exports its products to ~36 countries worldwide including the United States, Germany, Russian Federation, Serbia, Bosnia, Tanzania, Kenya, Jordan, Vietnam, Philippines, Sri Lanka, Panama, Ecuador, Trinidad & Tobago, Uganda etc.

During the year under review, your Company has earned revenue from operations of ₹1,873.61 million as against ₹3,908.31 million during previous financial year. The decline in sales is mainly due to absence of the domestic branded formulations sales in India and Nepal as the brand portfolio was sold by the Company during financial year 2021-22 for a total consideration of ₹18,720.00 million plus GST, out of which an amount of ₹16,762.06 million was recognized as exceptional item during financial year 2021-22 and an amount of ₹1,026.61 million has been recognized as exceptional item during financial year 2022-23. The revenues from domestic pharmaceutical formulation business were ₹649.79 million as against ₹2,639.04 million during the previous year. The export revenues were ₹1,223.82 million as against ₹1,269.27 million during the previous financial year.

The Company's losses before tax and exceptional items have significantly reduced to ₹307.86 million as compared to ₹1,452.36 million during the previous financial year mainly on account of savings in the finance costs following redemption of NCDs during previous year.

The Company has earned profit after tax and exceptional items of ₹517.66 million as against ₹11,601.79 million during the previous financial year.

Industry Structure & Developments

Global Pharmaceutical Market: The global pharmaceutical market witnessed marginal growth during the year 2022 growing to ~US$ 1.48 trillion from ~US$ 1.42 trillion in 2021. The global pharmaceutical industry is expected to grow to ~US$ 1.9 trillion by 2027 growing at 3-6% annually. The growth will mainly be driven by launch of new drugs, increased use of recently launched products and the availability of low-cost products. The future growth will mainly be driven by critical therapeutic areas like oncology, immunology, cardiology and neurology which are the fastest-growing therapeutic areas at present and will continue in future. An ageing population in many developed markets will also create higher demand for medicines. In particular, demand for chronic disease medicines will grow in the mid and long-term. Pharmaceuticals demand in emerging markets is set to increase due to improvements in healthcare systems and growing disposable household incomes.

Pharmaceutical Formulations Business

With the divestment of India's focused pharmaceutical formulation brands portfolio during FY 2021-22, the Company is now more focused on international pharma business with science-based innovative medicines. The Company has also identified nutrition segment as a new business area to enter and focus for its future growth.

We believe that we have a strong pipeline and are well positioned for future growth. Research & Development is at the heart of fulfilling our purpose to deliver affordable innovations that enable people to live well and live longer. Our R&D efforts seek to add value to our existing products by improving their effectiveness, ease of dosing and reducing cost of manufacturing. We seek to leverage a strong pipeline, organize around expected operational growth drivers and capitalize on trends creating long-term growth opportunities.

We are committed to strategically capitalizing on growth opportunities, primarily by advancing our own product pipeline and maximizing the value of our existing products, but also through various business development activities. We view our business development activity as an enabler of our strategies and seek to generate growth by pursuing opportunities and transactions that have the potential to strengthen our business and our capabilities. We assess our business, assets and scientific capabilities / portfolio as part of our regular, ongoing portfolio review process and also continue to consider business development activities that will help to advance our business strategy.

The international pharmaceutical formulation product portfolio includes innovative prescription products in niche therapeutic areas such as transplantation, renal disease, oncology, respiratory, pain management, diabetes and gastro-intestinal care.

The Company has continued its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets in several countries.

Panacea Biotec Pharma Limited

The Company is continuously filing new product registration dossiers in existing as well as new markets to further strengthen and grow its exports in the future. The Abbreviated New Drug Applications (ANDA) submitted under section 505(j) of the Federal Food, Drug & Cosmetics Act are in process of approval by the United States Food and Drug Administration ("USFDA"). The Company plans to launch these products in US, Europe, etc. through strategic collaborations with leading pharma companies. It has key partnerships with global pharmaceutical companies for marketing of pharmaceutical formulations in USA, Canada and other international markets, which has helped in expanding its reach and access to new regulated markets. During the current financial year, the Company has also started export of Paclitaxel generic product to Canada.

The Company has taken more initiative on brand building & customer connect through various mass promotion programs through online media, in-clinic discussions through digital mobile platform, scientific education initiatives (CMEs), product specific medical trainings, country specific strategies & scientific promotions and medical training programs.

The Company 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 is developing a portfolio of products for European markets, GCC countries and other emerging markets.

Supply Chain Management

The Company is committed to ensuring timely availability of its products to its business partners and patients. It 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 the pharmaceuticals and nutrition products.

The Company has a well-established Track and Trace system and documentation quality to ensure that timely delivery of goods at destination and avoid demurrage & detention charges. The Company has optimized raw material, packaging material, finished good inventory to achieve maximum inventory turn and to minimize expiry.

Manufacturing Facilities

<u>Pharmaceutical Formulations Facility at Baddi, Himachal Pradesh</u>: The Company has state-of-the-art pharmaceutical formulations facility at Baddi, Himachal Pradesh which became operational in year 2006. The facility is equipped for bilayer tablets, complex sustained release coatings and delayed release coatings. The facility has received several certifications and accreditations from international regulatory authorities including USFDA, The National Institute of Pharmacy and Nutrition OGYÉI Hungary (EU), Federal Service for Surveillance in Healthcare (Russian Federation), Ministry of Health Ukraine, National Agency for Drug and Food Control (Indonesia), Turkish Medicine and Medical Devices Agency, ANVISA (Brazil), SAHPRA (South Africa) etc.

Quality is a core guiding factor behind Company's decisions and actions. Company maintains a harmonized Pharmaceutical Quality System (PQS) that caters to all markets. Some of its

Panacea Biotec Pharma Limited

pharmaceutical formulation products are routinely supplied to low-income countries under access programs through international agencies such as PAHO. Company 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.

The Company's pharmaceutical manufacturing expertise lies in various Oral-solid, semi-solids and liquid oral dosage forms 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, and functional), taste masking and fast-dissolving tablets;
- ✓ Semi-solids – ointments / creams / gels, transdermal drug delivery system; and
- ✓ Liquids- suspensions / syrups / solutions.

Cytotoxic / Oncology Facility at Baddi, Himachal Pradesh: The Company's cytotoxic injectable formulation facility at Baddi, Himachal Pradesh, has dedicated filling lines for liquid & lyophilized injectables 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, The National Institute of Pharmacy and Nutrition OGYÉI Hungary (EU) and other regulatory agencies.

The Company's above facilities continue to be under the warning letter issued by the USFDA. It has undertaken several corrective and preventive measures to comply with the observations raised by USFDA. The Company has also engaged international consultants as part of its corrective and preventive action plan to ensure that the manufacturing facilities meet the required standards. It is regularly updating USFDA about the progress made on these plans and following up with them for early inspection of the facilities.

Nutrition Product Manufacturing Facility at Baddi: The Company has set up a manufacturing facility to manufacture nutrition products at Baddi, Himachal Pradesh which became operational in April, 2023. This manufacturing facility currently has installed capacity of ~6 tons per day. The Company also plans to set up facilities for new dosage forms of nutrition products in future.

Research & Development

The Company is a progressive & innovative biotechnology company with high focus on research & development, manufacturing and marketing operations across pharmaceuticals and natural or herbal products. The Company is guided by its vision of "Innovation in Support of Life" and strongly believes that innovation is important to the long-term success of the Company. The Company specializes in complex generics and novel drug delivery platforms

Panacea Biotec Pharma Limited

to offer higher value and better health outcomes for the patients, governments and overall society.

The Company's research and development efforts have been its greatest strength. Its ambitions are backed by distinguished, ultra-modern, state-of-the-art R&D Centers with around 39 scientists with deep roots within the academic community in important clusters in India, USA and Germany among other countries.

SAMPANN R&D Center at Lalru

SAMPANN R&D Center of the Company at Lalru, Punjab 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. The Company has deep experience in developing innovative drug delivery based products that enjoy considerable brand equity amongst physicians.

The Company'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. This demonstrates the Company's ability to handle the most complex generics and deliver a high-quality product in constrained and challenging timelines.

In the field of pharmaceutical research, the Company 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. SAMPANN is in an advanced stage of development of new products for domestic & ROW markets in the therapeutic segments of immuno-suppressant, diabetes and pain management, etc.

SAMPANN R&D Center has also successfully developed nutrition products in the pediatric segment and is developing new dosage forms and products to expand the product portfolio in other specialties like gynecology and adult nutrition.

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

Intellectual Property

The Company has a strong portfolio of intellectual property in the form of patents, trademarks and copyrights in pharmaceutical formulations business. As of March 31, 2023, Company has filed 25 patent applications in 8 countries viz. USA, Germany, Switzerland, United Kingdom, France, Japan, China and India. Out of which the Company has been granted 20 patents globally wherein 14 patents are currently active.

Panacea Biotec Pharma Limited

The Company has filed 187 trademark applications for registrations, out of which 21 have been registered in India, 37 have been registered outside India and 129 applications are pending registration as on March 31, 2023.

Human Resources

As on March 31, 2023, Company had a total manpower of ~818 employees (including ~189 through contractors) of which over 541 are skilled employees including corporate and managerial staff, sales staff, and staff located at its manufacturing facilities. There are 60 R&D professionals including 39 scientists engaged in R&D centers, 337 employees are engaged in production, quality control and quality assurance, 32 employees are engaged in sales & marketing and logistics and 389 in other functions.

The Company strongly believes in developing and grooming leaders from within the organization. The Company continues to invest in creation of a work culture representing a unique mix of its values and functional expertise and the employees are partner to achieve Vision of the Company and also provides meaningful opportunities for learning and growth and continuously encourages its employees to widen the horizon for professional growth. The Company provides opportunities for employees to re-skill, up-skill, multi-skill and multi-task. The Company's endeavour has been to create a culture of high and differentiated performance where people continue to push boundaries of growth and self-development.

During the financial year, the Company's focus has been on improving people productivity across the organization for which we leveraged digitalization of processes leading to reduced human intervention. We are closely tracking productivity metrics across business units to ensure better delivery of business.

We have sought to unlock sales productivity by leveraging our own internally developed tool – NIKHAR - our digital capability to monitor sales productivity.

To embed the Panacea Biotec Pharma's way of execution excellence we initiated "**Jaan Pehchan Ho, Kaam Aasan Ho - Face to Face Meeting**" among employees at manufacturing facilities, across functional areas and across different levels and are continuing with it. We also conducted "**Quality is Present**" campaign across our manufacturing facilities wherein all the employees signed the pledge by undertaking that "**Iss Pal Mein, Har Pal Mein Sahi Se Karna, Likhna and Bolna hi Quality Hai**".

Arising out of this initiative, autonomous team were formed with self-nomination amongst the functional and cross functional team members by one of the members to work as a **CAPTAIN**, i.e. someone who is "**Caring, Approachable, Playful, Tactful, Attentive, Inclusive, Nearest**" and undertake a Topic with tasks and sub-tasks to be performed to keep the plant all time audit ready and ensure quality of the products manufactured by the Company with clear objective of "Patient Safety".

Currently, there are 45 Captains working in different areas with a team of ~375 employees. These team members are now shaping the new behaviour needed to succeed in all aspects of life including the Quality at the Company.

We have established Manufacturing Sciences Group (MSG) to look into all aspects of operational challenges to be discussed and resolved with proper due diligence, regulatory science, data and proper analysis.

To facilitate growth opportunities for employees, we introduced job rotation opportunity for those who desire to be moved around or add / modify areas of their work profile. Also, self-led learning opportunities were floated at the manufacturing facilities wherein the employees were asked to indicate what they want to learn, from whom or where, company support needed, how it will help or support doing current job better etc.

To look at internal talent and give them the first opportunity for the vacant positions or new positions created due to any reasons the positions are first advertised through Internal Job Posting across the organization. To ring fence key talent, additional job responsibilities are given to them through market benchmarking structured communication and engagement with employees.

We analyzed the job descriptions of senior leadership teams and redefined it to focus on role and responsibilities to manufacture quality products with Patient Safety. Arising out of redefinition of job descriptions we also organized development and coaching program which will be a continuous process.

To have certified operators across the organization, the certification is conducted through Life Sciences Sector Skill Development Council, a not for profit, Non-statutory certification Body under mandate of Ministry of Skill Development and Entrepreneurship, Government of India.

We have launched implementation of Darwin Box, our new Human Resource Management System (HRMS) in the month of February 2023, in line with organization's objective of making HR operations One Click. This HRMS will engage and empower employees across the HR modules with a smarter, simpler & mobile-first HR Tech powered by Artificial Intelligence (AI) and Machine Learning (ML).

Birthday celebrations once a month for all the employees born in the month are conducted across the organization with participation across the hierarchy. Festivals are also celebrated across locations.

Recognition of good work is done through simple framework of recognition by issuance of Appreciation certificate with a citation.

Strategic partnerships and collaborations

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 & international partners who market / distribute its products across several countries in the world.

The Company has entered into key partnerships with global pharmaceutical companies for marketing of pharmaceutical formulations in USA, Canada, EU and other international markets, which has helped the Company in expanding its reach and access to new regulated markets.

Panacea Biotec Pharma Limited

The Company will continue to strengthen its business development team and leverage its strengths in product development and navigating the regulatory landscape to capitalize on opportunities across new-age technologies that will strengthen and reposition its portfolio in the coming years.

FINANCIAL PERFORMANCE

Summarized Balance Sheet:

The summarized balance sheet as is follows:

(₹in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets:		
Fixed assets (net)	1,570.82	1,602.31
Financial assets	901.56	1,333.56
Other non-current assets	147.69	335.34
Current assets	3,370.92	6,645.28
Total Assets	**5,990.99**	**9,916.49**
Equity & Liabilities:		
Total Equity	4,658.76	4,137.50
Non-current liabilities	459.89	589.91
Current liabilities	872.34	5,189.08
Total Liabilities	**5,990.99**	**9,916.49**

Fixed Assets: The net fixed assets have decreased to ₹1,570.82 million as against ₹1,602.31 million as at the end of previous year mainly on account of depreciation and amortisation during the year under review.

Non-current Financial Assets: Non-current financial assets include loans and other long-term financial assets. The non-current financial assets as of March 31, 2023, have decreased to ₹901.56 million from ₹1,333.56 million as at the end of previous year due to decrease in bank deposits.

Other Non-Current Assets: Other non-current assets include deferred tax asset and other non-current assets. The non-current assets as of March 31, 2023, have decreased to ₹147.69 million as against ₹335.34 million as of March 31, 2022 mainly due to decrease in deferred tax during the current financial year.

Current Assets: Current assets include inventories, investments, trade receivables, cash & cash equivalents, other bank balances, short-term loans and other current assets. Total current assets have decreased to ₹3,370.92 million as against ₹6,645.28 million as at the end of fiscal 2022 mainly due to decrease in the trade receivables and cash & bank balance.

Total Equity: Total equity represents Equity Share capital and other Equity. Total Equity have increased to ₹4,658.76 million as of March 31, 2023, as compared to ₹4,137.50 million as of March 31, 2022, mainly on account of profit after tax and exceptional items during the year.

Non-Current Liabilities: Non-current liabilities include provisions and other non-current liabilities. The non-current liabilities as of March 31, 2023, have decreased to ₹459.89 million as compared to ₹589.91 million as of March 31, 2022 mainly due to decrease in the income received in advance following recognition of deferred revenue during the year.

Panacea Biotec Pharma Limited

Current Liabilities: Current liabilities include trade payables, lease liabilities and other current financial liabilities (including current maturities of long-term borrowings). The current liabilities as of March 31, 2023, have significantly decreased to ₹872.34 million as compared to ₹5,189.08 million as at the end of previous year, mainly due to payment of the statutory liabilities within the stipulated period during the year.

Summarized Statement of Profit & Loss

The summarised statement of profit & loss is as follows:

(₹ in million)

Particulars	For the year ended March 31, 2023	March 31, 2022
Revenue from operations	1,873.61	3,908.31
Materials & Finished Goods Purchases	862.17	1,356.44
Employee benefits expense	511.93	1,060.08
Other expenses	956.59	1,101.53
Finance Costs	3.88	1,783.45
Depreciation and amortization expense	144.26	187.73
Other Income	297.36	128.56
Profit/ (Loss) before tax and exceptional items	(307.86)	(1,452.36)
Exceptional items	1,026.61	16,762.06
Profit/ (Loss) Before Tax	718.75	15,309.70
Provision for Taxes (including deferred tax)	201.09	3,707.91
Profit/(Loss) after Tax	517.66	11,601.79
Other comprehensive income (net of tax)	3.60	(6.04)
Total comprehensive income	521.26	11,595.75
Total Basic and Diluted EPS*	517.66	11,601.79

*Earnings Per Share in ₹ per Equity Share of ₹ 1.

Revenue from Operations: Revenue from operations have decreased to ₹1,873.61 million for Fiscal 2023 from ₹3,908.31 million for Fiscal 2022, primarily due to absence of domestic branded formulations sales in India and Nepal as explained above.

Other Income: Other income has increased to ₹297.36 million for Fiscal 2023 from ₹128.56 million for Fiscal 2022, primarily due to interest income earned on bank deposits and loans given.

Materials & Finished Goods purchases: The raw & packing materials and finished goods purchases have decreased to ₹862.17 as against ₹1,356.44 million during previous financial year, mainly on account of decrease in revenues as explained above.

Employee benefits expenses: The employee benefits expenses have decreased to ₹511.93 million for Fiscal 2023 as against ₹1,060.08 million for Fiscal 2022, mainly due to decease in manpower following sale of the domestic branded formulation portfolio as explained above.

Other Expenses: The other expenses have decreased to ₹956.59 million for Fiscal 2023 as against ₹1,101.53 million for Fiscal 2022, mainly due to decease in expenses relating to the domestic branded formulation portfolio which was sold during previous year, as explained above.

Panacea Biotec Pharma Limited

Finance costs: Finance costs comprising of interest and bank charges have significantly declined to ₹3.88 million for Fiscal 2023 from ₹1,783.45 million for Fiscal 2022 due to full redemption of NCDs during previous financial year.

Depreciation and amortization expenses: Depreciation and amortization expenses have declined to ₹144.26 million for Fiscal 2023 from ₹187.73 million for Fiscal 2022.

Exceptional items: Exceptional items include revenue of ₹1,026.61 million recognized during Fiscal 2023 as against ₹16,762.06 million during Fiscal 2022, pertaining to sale of pharmaceutical formulations brands in India and Nepal during fiscal year 2022.

Profit / (Loss) Before Tax: The Company's profit before tax has decreased to ₹718.75 million during Fiscal 2023 as compared to ₹15,309.70 million during previous year, as a result of the factors discussed above.

Profit / (Loss) After Tax and Exceptional Items: The Company has earned profit after tax and exceptional items of ₹517.66 million during Fiscal 2023 as compared to ₹11,601.79 million during Fiscal 2022, as a result of the factors discussed above.

The basic and diluted EPS is ₹517.66 per share for Fiscal 2023 as against ₹11,601.79 per share for Fiscal 2022.

Summarized Cash Flow Statement

The summarized cashflow statement is as follows:

(₹ in million)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Net Cash flows from Operating Activities	(3,832.60)	(532.85)
Net Cash flows from Investing Activities	3,820.17	11,933.61
Net Cash flows from Financing Activities	(3.88)	(11,391.97)

Dividend and Transfer to Reserves

In view to conserve cash flows, the Board of Directors has decided to invest the amount towards the growth of the Company and has not recommended any dividend on the Equity Shares of the Company. Accordingly, there has been no transfer of profit to general reserves.

Share Capital

The issued, subscribed and paid-up Share Capital of the Company as on March 31, 2023, remains unchanged at ₹1 million divided into 1 million equity shares of ₹1 each. Similarly, the authorised share capital of the Company also remains unchanged at ₹600 million (comprising of 100 million Equity Shares of ₹1 each and 50 million Preference Shares of ₹10 each).

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

Panacea Biotec Pharma Limited

Significant Events held during the year under review / current year

a) Alteration of Memorandum of Association ("MOA") and Articles of Association ("AOA"): During the year under review, the Company has altered its object clause by appending new clauses relating to manufacturing and marketing of food and nutrition products; and acquiring running / approved power projects in hydro power sector.

   Further, the existing AOA of the Company has been replaced in its entirety by new sets of AOA with a view to delete provisions relating to Debentures Trust Deed dated April 06, 2019 which were incorporated earlier at the time of issue of Non-Convertible Debentures; and to insert new definitions, modifications / addition in Articles and insertion of new Articles in order to align the same with the requirements of the Companies Act, 2013.

b) Site inspection by the USFDA: Upon site inspection of the Company's pharmaceutical formulations facility at Baddi, Himachal Pradesh, India, conducted by the USFDA between May 30 and June 08, 2022, the Company was issued a 'FDA Form 483' with few observations in response thereto the Company had immediately initiated actions to address specific observations raised in the 'FDA Form 483' and submitted its response alongwith Corrective and Preventive Actions ("CAPA") with USFDA. USFDA issued letter maintaining facility status as Official Action Indicated, which does not impact existing business of the Company in US. However, satisfactory resolution of the observations raised by USFDA, is necessary for approval of the ANDA filed for Paclitaxel Protein-Bound Particles for Injectable Suspension (Albumin-Bound) from the above said pharmaceutical formulations facility. In this regard, Company has made a request with USFDA for an early inspection and is maintaining constant touch with USFDA for an update on proposed inspection, if any.

c) Launch of pediatric nutrition products: The Company has recently entered into a new business of nutrition products. It has developed its own product portfolio for nutrition segment at its Sampann R&D Center and has set-up a manufacturing facility to manufacture these products at Baddi, Himachal Pradesh. This manufacturing facility currently has installed capacity of ~6 tons per day. To start with, in June 2023, the Company has launched pediatric nutrition products under the brand name, ChilRunfull™, ChilRun® 7+, ChilRun® No Sucrose in ~100 territories across India covering almost 4,000 doctors. It plans to add more products going forward to expand the product portfolio and markets including other specialties like gynecology and adult nutrition.

d) Receipt of award for Fortune India – The Next 500: Sectoral Star – Pharma Category, 2023: Fortune India Magazine, a monthly publication, has tracked the achievements of India's biggest emerging companies in 2023 across different industry sectors and has awarded the Company with the Fortune "The Next 500" 2023, Sectoral Star – Pharma category award on July 07, 2023. The award was given by Mr. Anurag Thakur, Union Minister for Information & Broadcasting, Sports and Youth Affairs, Government of India who was the Chief Guest to commemorate Fortune India's annual special issue "The Next 500" that lists the Top 500 emerging companies in the Country.

e) Acquisition of 100% stake in Panacea Biotec Germany GmbH (indirect Wholly Owned Subsidiary ("WOS") of Panacea Biotec Ltd. ("PBL")): During the year under review, the Board of Directors had, at its meeting held on May 18, 2022, approved the proposal of acquisition of 100% shares of Panacea Biotec Germany GmbH ("PBGG") from Panacea Biotec (International) S.A., wholly owned subsidiary of PBL, so as to make PBGG a direct WOS of the Company and further steps are in process in this regard.

f) Scheme of Arrangement: During the year under review, the Board of Directors had, at its meeting held on May 18, 2022, approved the proposal for amalgamation of PanEra Biotec Pvt. Ltd. ("PanEra") (an associate company of Company's holding company, Panacea Biotec Limited ("PBL")) and Adveta Power Pvt. Ltd. ("Adveta") (a 50:50 joint venture of PanEra and PBL) with and into the Company, subject to requisite approvals. PanEra has in-principle approval by Govt. of Himachal Pradesh for allotment of a hydro-power project of 4 MW and Adveta was granted in-principle approval by Government of Arunachal Pradesh for allotment of two Power Projects of 80 MW and 75 MW. The management believes that the proposed amalgamation will lead the Company to move towards net zero carbon emission and use energies which are sustainable and good for the environment and at the same time economical for the Company. Also, the Company will become self-reliant in its own energy requirements.

   In regard to the above, the approval of Shareholders, the Hon'ble National Company Law Tribunal, (NCLT) and other requisite concerned authorities of respective Companies is yet to be taken.

Apart from the updates mentioned above, there were no significant events after the end of the financial year ended March 31, 2023.

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 regulatory authority or court or tribunal which may impact the going concern status and your Company's operations in future.

Subsidiary, Associates and Joint Ventures

Your Company doesn't have any subsidiary, associate or joint venture.

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

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 Deposit) 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.

Panacea Biotec Pharma Limited

Directors and Key Managerial Personnel

i) Appointment of Whole-time Director: Mr. Narotam Kumar Juneja (DIN: 01204817), has been appointed as Director Technical & Compliance of the Company for a period of three (3) years w.e.f. April 01, 2022. The said appointment was also approved by the shareholders at their Extraordinary General Meeting held on June 25, 2022.

ii) Director Retiring by Rotation: In accordance with the provisions of Section 152 of the Act, Mr. Ankesh Jain (DIN: 03556647), 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.

The Board recommends the re-appointment of the above said director in the ensuing General Meeting.

iii) Profile of Director seeking re-appointment: The brief resume of the director seeking re-appointment along with terms & conditions and other details as stipulated under Secretarial Standards issued by The Institute of Company Secretaries of India, are provided in the Notice convening the ensuing AGM of the Company.

iv) Declaration of Independence: Your Company has received declaration from the independent director of the Company confirming that she meets the criteria of independence provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect her status as independent director during the year under review.

v) Registration in Independent Directors' Data Bank: The Company has received confirmation from its independent director that she has registered herself in the Independent Director's Data Bank of Indian Institute of Corporate Affairs at Manesar, in compliance with the provisions of sub-rule (1) of rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

vi) Proficiency Test for Independent Director: Mrs. Manjula Upadhyay 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.

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

Board Meetings

During the year under review, 5 (five) Board Meetings were held on April 01, 2022, May 18, 2022, August 09, 2022, November 14, 2022 and February 14, 2023. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act.

Energy Conservation, Technology Absorption and Foreign Exchange

As required under Section 134(3)(m) 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.

Panacea Biotec Pharma Limited

Annual Return

Pursuant to Section 92 read with Section 134 of the Companies Act, 2013, as amended, every Company shall place a copy of the annual return on its website, if any and the web link of such annual return shall be disclosed in the Board' Report. Since your Company does not have a website, the web link of the Annual Return has not been provided in this Report.

Related Party Transactions

During the year under review, all related party transaction(s) / arrangement(s) 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 as per the latest 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. Apart from remuneration and sitting fees, there is no pecuniary transaction with any director, which may have potential conflict of interest with the Company.

All related party transactions are placed before the Audit Committee for its review and further recommendation to the Board for its approval. Wherever applicable, approval is obtained for related party transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length basis.

Particulars of Employees and Related disclosures

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits as set out in Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure B** hereto and 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 appointed as statutory auditors of the Company for a term of five (5) consecutive years to hold office from the conclusion of the 1st AGM of the Company held on December 11, 2020 till the conclusion of the 6th AGM of the Company. Pursuant to Section 141 of the Act, the Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company and their appointment meets the requirements prescribed in Section 141(3) (g) and 147 of the Act. They also confirmed that they are independent, maintained an arm's length relationship with the Company and that no orders or proceedings relating to matters of professional conduct were pending against them before the Institute of Chartered Accountants of India or any competent court / authority relating to matters of professional conduct.

The Auditors' report doesn't contain any qualified opinion, reservation, adverse remark or disclaimer. The management response to the Emphasis of Matter and observations/ comments contained in the Auditors' Report and Annexure thereto have been suitably

Panacea Biotec Pharma Limited

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: Cost records as required under Section 148 of the Act, 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 No.000253), were re-appointed as the Cost Auditors to conduct the audit of the Company's Cost Records for the financial year ended March 31, 2023 and their remuneration was ratified by the shareholders in the 3rd AGM of the Company held on September 27, 2022.

The cost audit for the said period has been completed and the Cost Auditors' Report will be submitted to the Central Government within the prescribed time. The Cost Audit Report for the financial year 2021-22 was filed on September 07, 2022.

During the current year, the Board of Directors has, pursuant to the provisions of Section 148 of the Act and based on the recommendations of the Audit Committee, appointed M/s. Jain Sharma & Associates, Cost Accountants, as cost auditors of the Company to conduct the audit of the Company's Cost Records for the financial year 2023-24. M/s. Jain Sharma & Associates have confirmed their independence and arm's length relationship with the Company and that they are free from the disqualifications specified in Section 139, 141 of the Act and their appointment meets the requirements prescribed in Section 141(3)(g) and 148 of the Act. They have also confirmed that they are independent, maintained an arm's length relationship with the Company and that no orders or proceedings were pending against them relating to matters of professional conduct before the Institute of Cost Accountants of India or any competent court / authority.

In compliance with Rule 14 of the Companies (Audit and Auditors), Rules, 2014, an item for ratification of remuneration of cost auditor for conducting the audit for the financial year 2023-24 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had 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, 2023. The Secretarial Audit Report for the said period is annexed as **Annexure C** to this Report.

The Secretarial Auditors' Report doesn't contain any qualification, reservation, adverse remark or disclaimers.

The Board of Directors has re-appointed M/s R&D Company Secretaries, to conduct the secretarial audit of the Company for the financial year 2023-24. They have also confirmed their eligibility for the said re-appointment.

Panacea Biotec Pharma Limited

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 year under review, there have been no material changes, except as disclosed elsewhere in the Annual Report:

- in the nature of the Company's business; 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 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.

Directors' Responsibility Statement

In compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, to the best of their knowledge and belief, the Directors hereby confirm that:

a) in the preparation of the annual financial statements for the financial year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) they had 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, 2023, and of the profit of the Company for the year ended March 31, 2023;

c) they had 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 annual financial statements have been prepared on a going concern basis;

e) they had laid down proper internal financial controls to be followed by the Company and that the same are adequate and are operating effectively; and

f) proper systems have been devised 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 Board under Section 143(12) of the Act.

Particulars of loans, guarantees or investments

The Company has neither made any investment nor provided any guarantee during the year under review. However, the Company has extended loan to its Holding Company and other group companies of holding company for their business purposes. The details of loans

Panacea Biotec Pharma Limited

covered under the provisions of Section 186 of the Act along with the purpose for which such loan was proposed to be utilized by the recipient, have been disclosed in the notes to the Financial Statements forming part of the Annual Report.

Insurance and Risk Management

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 & sold) with an extension of unnamed vendor liability and add on cover of public liability inclusive of pollution liability to cover the risk on account of claims, if any, filed against the Company.

Internal Audit & Internal Financial Control System

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

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

The Company has 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 March 31, 2023, the Board is of the opinion that the Company has adequate 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.

Audit Committee

The Board of Directors has, in its meeting held on August 09, 2022, voluntarily constituted Audit Committee of the Board of Directors comprising of the following members:

Name	Position	Category
Mrs. Manjula Upadhyay	Chairperson	Independent Director
Mr. Narotam Kumar Juneja	Member	Director Technical & Compliance
Mr. Ankesh Jain	Member	Non-Executive Director

The Chairperson of the Committee is an independent director and all the members are financially literate persons having vast experience in the area of finance, accounts, legal strategy & management.

The Audit Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company. It acts as an oversight body for transparent, effective anti-fraud and risk management mechanisms, and efficient Internal Audit and External Audit functions financial reporting. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements under provisions of Section 177 of the Act and also acts in accordance with the applicable provisions of the Act.

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 ₹5,000 million or more, or turnover of ₹10,000 million or more, or a net profit of ₹50 million or more during the financial year. However, with a view to support the initiatives being taken by the Government towards inter-alia, eradicating hunger & poverty; promoting health care; promoting education & enhancing vocational skills; promoting research & development in the field of science, technology, engineering and medicine; rural development; slum area development; socio economic development, relief and welfare of needy people; and ensuring environmental sustainability; the Board has, in its meeting held on May 18, 2022, constituted the Corporate Social Responsibility Committee of the Board of Directors in order to take-up such initiatives in a proactive manner, comprising of the following Directors as members of the Committee:

Name	Position	Category
Dr. Rajesh Jain	Chairman	Managing Director
Mr. Narotam Kumar Juneja	Member	Director Technical & Compliance
Mrs. Manjula Upadhyay	Member	Independent Director

Prevention of Sexual Harassment at Workplace

The Company is committed to providing safe and conducive work environment to all its employees and associates. 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 Work Place (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

Panacea Biotec Pharma Limited

harassment of women at workplace. No case has been reported during the year under review.

Proceeding under Insolvency and Bankruptcy Code

During the year under review, no application has been made, and no proceeding is pending, under the Insolvency and Bankruptcy Code, 2016.

Opportunities and Outlook

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

SWOT Analysis

Strengths

- Part of Panacea Biotec group with over 30 years' experience in development, manufacturing and commercialization of pharmaceutical formulations
- Significant focus on exports
- State-of-the-art cGMP compliant manufacturing facilities
- Proven research & development and clinical research capabilities
- Robust product pipeline of promising niche products to fuel long-term growth
- Extensive sales and distribution network
- 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 pharmaceutical industry. As a result of this, the present profitability is affected whereas the output may come in medium to long term future periods.

Opportunities

- To improve capacity utilization: The Company is working on entering into manufacturing collaborations with third parties to increase capacity utilization of its manufacturing facilities.
- New products in pipeline for commercial launch: The Company has several products under late stage of development in pharmaceuticals.
- Addressing unmet need: The Company's entry in nutrition segment will help in future growth.

Threats

- Dependence on few imported suppliers in active pharmaceutical ingredients. However, Company is focusing on developing alternate sources within India and/or outside India.

- 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. The Company has been following the guidelines prescribed by WHO, 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 several regulatory audits over the years.
- Pricing pressure amid intense competition in the pharmaceutical industry across the globe.
- Risk of all R&D initiatives not leading to commercially viable and successful products.

Future Growth Strategy

- Growth in exports of pharmaceutical formulations to ICH market, emerging markets in LATAM and Middle East.
- 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, Europe and other emerging markets.
- Scaling up the nutrition business by launching new dosage forms and new customer segments.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from the USFDA and other Government agencies and encouragement they have extended to the Company. Your directors also thank the management of Panacea Biotec Limited, banks, funding agencies, customers, vendors and other business associates for their confidence in the Company and its management. The Board also wishes to place on record its appreciation for the dedication and commitment of the Company's employees at all levels which has continued to be our major strength. Your directors look forward for the continued support from all stakeholders in order to enable the Company to achieve newer heights in the year to come.

For and on behalf of the Board
Panacea Biotec Pharma Limited

Panacea Biotec Pharma Limited

Place: New Delhi Date: August 12, 2023	Dr. Rajesh Jain Managing Director DIN: 00013053	Narotam Kumar Juneja Director Technical & Compliance DIN: 01204817

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.

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 during the year under review and recent past:
   - Replacement of CFL lamps and conventional tube lights with LED lights at several locations.
   - Use of water treated from ETP & STP for plantation & irrigation purposes.
   - Installed Condensate pipelines from condensate transfer pump having no insulation to reduce the insulation heat losses and increase saving in fuel.
   - Commissioned new 6 ton Briquette Fired Boiler (to run with Fire Briquette or Wood Fire) to replace Furnace Oil Fired Boilers thereby shifting to renewable energy source and to also reduce Sulphur emission.
   - Started using lower watt LED lights in place of higher watt LED Lights to save on energy costs at several locations.
   - Replaced Halogen street lamps with LED lamps.
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 reduce the running cost of high side utilities at Baddi such as Chiller, Cooling Tower, Condenser Pump & Chiller water pump by using lower power machines to save power.
   - Evaluating proposal for installation of solar compound Parabolic Concentrator for generation of hot water for HVAC & Soft gel Block.
3. Capital Investment on energy conservation equipment's: During the year under review, the Company has not made any capital investment towards energy conservation equipments.

Panacea Biotec Pharma Limited

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.

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)	8,617.87	9,392.33
Total Amount (₹ in million)	50.86	55.27
Rate/Unit (₹)	5.90	5.88
(b) Own generation		
(i) Through Diesel Generator		
Units (Nos. in thousand)	262.71	461.38
Unit per litre of Diesel/Oil	3.33	3.41
Cost/Unit (₹)	26.43	23.70
(ii) Through Steam Turbine/Generator		
Units (Nos.)	Nil	Nil
Unit per litre of Diesel/Oil		
Cost/Unit (₹)		
2. Coal		
Quantity (tonnes)	Nil	Nil
Total Cost		
Average Rate		
3. Furnace Oil		
Quantity (Kilolitres)	216.85	705.15
Total Cost (₹in million)	12.79	29.65
Rate/Unit (₹)	59.00	42.05
4. Briquette		
Quantity (Kilograms)	3,038.54	1,538.19
Total Cost (₹ in million)	36.29	12.10
Rate/Unit (₹)	11.94	7.87
Steam transferred to PBL	18.64	7.68
B. Consumption per unit of production		
Tablets		
Production (no. in million)	422.34	508.74
Electricity Consumption (Units per thousand)	7.54	8.38
Capsules		
Production (no. in million)	100.98	113.01
Electricity Consumption (Units per thousand)	28.93	26.41
Syrups		
Production (in litres)	1,69,672	2,38,464
Electricity Consumption (Units per kilolitre)	0.46	0.52
Gels		
Production (in kilograms)	32638	40,233
Electricity Consumption (Units per kilogram)	10.60	7.35
Granules		
Production (in kilograms)	12,996	31,465
Electricity Consumption (Units per kilogram)	1.02	1.04
Injections		
Production (no. of injection in thousand)	148	162
Electricity Consumption (Units per thousand)	13,917.25	11,506.29

Biotec Pharma Limited

II. Technology Absorption

Form B

Form for disclosure of particulars with respect to Technology Absorption

Research & Development (R&D)

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

   The Company has state-of-art R&D Centre at Lalru, 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 pharmaceutical formulations and nutraceuticals.

   The areas of research being pursued by the Company include:

   - Platform Technology - SPORTS Technology;
   - Novel Drug Delivery System (NDDS) based pharmaceutical formulations development; and
   - Small Molecule Drug Discovery (NCE Research) in 3 therapeutic areas, viz. metabolic disorders (Diabetes & Obesity), infectious diseases and CNS disorders & oncology.
   - Nutraceutical products and health supplements for wellbeing and health improvement.

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

   - Development of novel drug delivery products;
   - Bringing innovative products to market;
   - Fulfilling unmet therapeutic needs and customer satisfaction;
   - Improved product quality and safety aspects;
   - Availability of products at affordable prices;
   - Yield improvement;
   - Grant of new product / process patents;
   - Entry into newer markets and export of quality products; and
   - Solving public health problems with the availability of affordable life-saving drugs for critical diseases like cancer etc.

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:

   - Oral immediate and modified release formulation;
   - Technology based injectable dosage form;
   - Nano-emulsion technology based dosage form;
   - Polymeric nano-particulate system / Nano-crystal technology;
   - Biodegradable polymer based long acting injection;
   - Liposomal drug delivery technology;
   - Phyto Adjuvant Nanovector Technology Intensive Product Proposal; and
   - Superparamagnetic Nanoparticles (Nanotherm) Technology Intensive Product.
   - Developing nutrition based products in existing and new dosage form.

Panacea Biotec Pharma Limited

4. Expenditure on R&D:

(₹ in million)

	2022-23	2021-22
Revenue expenditure (excluding Depreciation on R&D assets)	144.46	198.34
Capital expenditure	10.83	2.07
Total	**155.29**	200.41
Total R&D expenditure as a percentage of net revenues	8.29%	5.13%

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 pharmaceutical formulations, nutraceuticals, novel drug delivery systems, advanced drug delivery systems and drug discovery (small molecules), in compliance with international regulatory standards.

   The Company is working on several critical projects (including ANDA and 505b(2) products) for global markets and nutrition products for pediatric and adult range.

2. Benefits derived as a result of the above:

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

   The Company has successfully completed development of key projects enabling the Company to file the Abbreviated New Drug Application (ANDAs) with USFDA. The Company has further progressed on filing of Paclitaxel injection, Mycophenolate sodium delayed release tablet, Valganciclovir Solution, Sirolimus Oral Solution ANDAs to USFDA by responding to FDA queries during the year under review. The Company has filed the dossier for Paclitaxel for Canada which has been approved. Additionally, the Company has also expanded to Europe market by filling Azacitidine injection, Valganciclovir Solution and Sirolimus oral Solution and going to file dossier for Paclitaxel for EU market.

   The Company has developed the projects for ROW market i.e. Alfacalcidol, Sevelamer Carbonate, Cyclosporine and Sitagliptin Plain and Sitagliptin + Metformin. Further during this year, the Company has also undertaken the development of Tofacitinib and Duloxetine along with a successful BE study of Tacrolimus MR.

   During the year, the Company has initiated to develop the nutrition products for Pediatric range. With a diverse product portfolio that's balanced between adult and pediatric nutrition, we're leading to launch new products into developed and fast-growing emerging markets, where healthcare trends, increasing the need for quality nutrition.

Panacea Biotec Pharma Limited

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

Technology imported (a)	Year of import (b)	Has technology been fully absorbed (c)	If not fully absorbed, areas where this has not taken place, reasons thereof and future plan(s) of action (d)
NOT APPLICABLE			

III. Foreign Exchange Earnings and Outgo

1. Activities relating to exports:

   The Company exports its pharmaceutical formulations in ~36 countries including the United States, European Union, CIS countries, LATAM, Africa, Middle East, ASEAN countries etc.

   The international pharmaceutical formulation product portfolio includes highly innovative prescription products in niche therapeutic area such as Transplantation, Renal Disease, Oncology, Respiratory, Pain Management, Diabetes and Gastro-intestinal care.

   The Company has continued its focus on development, registration and marketing of products portfolio catering to chronic therapies in private markets in several countries. Simultaneously, the Company has consolidated its international pharmaceutical business by eliminating loss making products, markets etc.

   During the year under review, the Company has earned export revenues of ₹1,223.82 million as against ₹1,269.27 million during previous year.

2. Initiatives taken to increase export:

   The Company is continuously filing new product registration dossiers in existing as well as new markets to further strengthen and grow its exports in the future. The Company's Abbreviated New Drug Applications (ANDA) submitted under section 505(j) of the Federal Food, Drug & Cosmetics Act (FD&C Act) are in process of approval by U.S. Food and Drug Administration ("USFDA"). The Company plans to launch these products in US, Europe, etc. through strategic collaborations with leading pharma companies.

   The Company has key partnerships with global pharmaceutical companies for marketing of pharmaceutical formulations in USA and other international markets, which has helped in expanding its reach and access to new regulated markets.

   The Company has taken more initiative on Brand Building & Customer Connect through various Mass Promotion programs through Online Media, In-clinic Discussions through Digital Mobile Platform, Scientific Education Initiatives, Product Specific Medical Trainings, Country Specific Strategies & Scientific Promotions, Continuing Medical Education (CME) and Medical Training Programs.

   These efforts have already started showing results and the Company has started gaining significant business growth during financial year in existing and new markets.

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

   The Company 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

Panacea Biotec Pharma Limited

into newer regions and registering products in more countries as well as strengthening existing relationships with the partners.

The Company is developing a portfolio of products for European markets, GCC countries and other emerging markets.

The Company continues to focus on building a robust pipeline of several products for filing in several other emerging markets which it will be filing registration dossiers in the next 1-2 years to further strengthen its export portfolio and grow export sales. The Company aims to improve the accessibility and affordability of medicines as the Company's contribution to Government of India's "MAKE IN INDIA" mission.

4. Total foreign exchange earned and used:

(₹ in million)

	2022-23	2021-22
Foreign Exchange Earned:		
FOB value of Exports	1,137.45	1,069.05
Total	**1,137.45**	**1,069.05**
Foreign Exchange Used:		
Raw material and packing material	107.32	359.74
Components and Spare Parts	19.62	16.75
Capital Goods	-	5.34
Legal & Professional Fees	26.77	7.88
Other Expenses:		
- Patents, Trade Marks & Product Registration	2.44	2.29
- Advertising and Sales Promotion	176.41	44.37
- Rates & Taxes	29.75	27.34
- License Fee	17.19	-
- General expenses	18.57	12.82
- Others	1.64	0.43
Total	**272.77**	**476.96**

For and on behalf of the Board
Panacea Biotec Pharma Limited

Place: New Delhi
Date: August 12, 2023

Dr. Rajesh Jain
Managing Director
DIN: 00013053

Narotam Kumar Juneja
Director Technical & Compliance
DIN: 01204817

Annexure B

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 (₹ 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 2022-23:								
1.	Mr. Neeraj Joshi	President - Sales & Marketing	18.16	Permanent employee	B.Sc., LLB	33	04.03.2021	55	Glenmark Pharmaceuticals India Ltd., Sr. V.P. – Marketing & Sales, 2.5 years
2.	Mr. Sarad Kumar Singh	VP - International Markets (ROW Region-3)	7.95	Permanent employee	B.Sc.	30	01.02.2020	51	Panacea Biotec Ltd., V. P. – International Markets & Panacea Vaccine SBU, 11 years
3.	Mr. Kulvinder Sarao	Sr. V. P. - Human Resources	7.83	Permanent employee	PGD in Personnel Management	37	01.02.2020	61	Panacea Biotec Ltd., Sr. V.P. - Human Resources, 15 years
4.	Mr. Rajiv Kumar Sharma	Sr. General Manager - SCM (Pharma)	7.49	Permanent employee	B.A. (Math)	33	01.02.2020	55	Panacea Biotec Ltd., Sr. G.M. - SCM (Pharma), 23 years
5.	Dr. Rajeeva Kumar Mangalum	Chief Operating Officer	6.95	Permanent employee	Ph. D	39	01.02.2020	62	Panacea Biotec Ltd., Chief Operating Officer-Pharma Business, 23.9 years
6.	Mr. Naveen K Jain	V. P. – NPI & Project Management	6.47	Permanent employee	Ph. D (Pharmacology)	25	01.02.2020	50	Panacea Biotec Ltd., V. P. – NPI & Project Management, 13.9 years
7.	Mr. Gurinder Pal Singh	Sr. Vice President	5.84	Permanent employee	B.Sc.	35	06.06.2022	56	Mankind Pharma Limited, Sr. V.P. Sales & Marketing, 3 months
8.	Mr. Dinesh Singla	Sr. V.P. - R&D, VFR, IPR & RA (Pharma)	5.24	Permanent employee	M. Pharma	28	01.02.2020	53	Panacea Biotec Ltd., Sr. V.P. - R&D, VFR, IPR & RA (Pharma), 12.3 years
9.	Mr. Jatinder Singh Gill	Sr. General Manager – CMC Import Export	5.23	Permanent employee	Intermediate	34	01.02.2020	59	Panacea Biotec Ltd., G.M. – CMC Import Export, 31 years
10.	Mr. Deepak Vijay	Plant Head – Oncology Plant	4.42	Permanent employee	MBA, MS-Pharmaceuticals	18	06.09.2021	40	Zydus Cadila Healthcare, Sr. Manager – Production, 3.8 years
B.	Employed for part of the year and in receipt of remuneration which in aggregate was not less than ₹850,000 per month (other than those mentioned in Para A above)								
	Nil								

Notes:

1. Remuneration includes salary, 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 / Whole-time Director of the Company

3. Mr. Neeraj Joshi is the only person who was employed throughout the Financial Year ended March 31, 2023 and was in receipt of remuneration for the year which is more than ₹10.2 million.
4. The employees mentioned in 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 of the Company.

For and on behalf of the Board
Panacea Biotec Pharma Limited

Dr. Rajesh Jain	Narotam Kumar Juneja
Managing Director	Director Technical & Compliance
DIN: 00013053	DIN: 01204817

Place: New Delhi
Date: August 12, 2023

Form No. MR-3
Secretarial Audit Report
For the financial year ended March 31, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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 and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, subject to our comments herein, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place.

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, 2023, 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;

R & D COMPANY SECRETARIES NEW DELHI

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

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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 (Delisting of Equity Shares) Regulations, 2021;

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

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, 1985;
- ✓ 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. 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.

R & D COMPANY SECRETARIES NEW DELHI

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

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

We further report that during the audit period, the Company has not entered into/carried out any specific events/actions which may have a major bearing on the Company's affairs.

For R&D
Company Secretaries

Debabrata Deb Nath
Partner
FCS No.: 7775; CP No. : 8612
UDIN: F007775E000746590
Peer Review Certificate no. 1403/2021
Unique Identification No. P2005DE011200

Place: Delhi
Date: 05.08.2023

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

'Annexure-A'

To
The Members
Panacea Biotec 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 records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the 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

NEW DELHI

Debabrata Deb Nath
Partner
FCS No.: 7775; CP No. : 8612
UDIN: F007775E000746590
Peer Review Certificate no. 1403/2021
Unique Identification No. P2005DE011200

Place: Delhi
Date: 05.08.2023

Walker Chandiok & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi – 110 001
India
T +91 11 45002219
F +91 11 42787071

Independent Auditor's Report

To the Members of Panacea Biotec Pharma Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Panacea Biotec Pharma Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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.

6. In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Board of Directors' 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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS 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;

- 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;

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure B, 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 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 financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid 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 2023 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 Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an 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 does not have any pending litigation which would impact its financial position as at 31 March 2023;

        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 2023;

        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 2023;

        iv.

            a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 47(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Arun Tandon
Partner
Membership No.: 517273
UDIN: 23517273BGTXLP1835

Place: New Delhi
Date: 30 May 2023

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Panacea Biotec Pharma Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment property.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically 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 programme, certain property, plant and equipment investment property were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2.1 to the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii)

(a) The Company has provided loans to Others during the year as per details given below:

Particulars	Amount
Aggregate amount provided/granted during the year -Others	Rs.1,526.47 million
Balance outstanding as at balance sheet date in respect of above cases -Others	Rs.942.2 million

(b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal and interest thereon is not due for repayment.

(d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 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) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, 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, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Panacea Biotec Pharma Limited on the financial statements for the year ended 31 March 2023

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer(including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Panacea Biotec Pharma Limited on the financial statements for the year ended 31 March 2023

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions , nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Arun Tandon
Partner
Membership No.: 517273
UDIN : 23517273BGTXLP1835

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 30 May 2023

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the 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 financial statements of Panacea Biotec Pharma Limited ('the Company') as at and for the year ended 31 March 2023, 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 ('the Guidance Note') 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

WALKER CHANDIOK & CO LLP • CHARTERED ACCOUNTANTS •

Annexure B to the Independent Auditor's Report of even date to the members of Panacea Biotec Pharma Limited on the financial statements for the year ended 31 March 2023(cont'd)

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 2023, 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: 23517273BGTXLP1838

Place: New Delhi
Date: 30 May 2023

Panacea Biotec Pharma Limited
Balance Sheet as at March 31, 2023

(Rs. in million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	2.1	1,330.85	1,459.55
b) Capital work-in-progress	2.2	101.08	11.34
c) Other intangible assets	2.3	109.94	8.06
d) Intangible assets under development	2.4	28.95	123.36
e) Financial assets			
(i) Loans	3	824.28	500.00
(ii) Other financial assets	4	77.28	833.56
f) Deferred tax assets (net)	5	120.43	300.32
g) Income tax assets (net)	6	23.20	25.38
h) Other non-current assets	7	4.06	9.44
Total non-current assets		2,620.07	3,271.21
Current assets			
a) Inventories	8	769.24	771.07
b) Financial assets			
(i) Investments	9	134.16	50.01
(ii) Trade receivables	10	641.08	705.56
(iii) Cash and cash equivalents	11	35.11	51.42
(iv) Bank balances other than cash and cash equivalents	12	1,488.95	4,955.73
(v) Loans	13	7.74	5.92
(vi) Other financial assets	14	21.50	36.54
c) Other current assets	15	273.14	69.01
Total current assets		3,370.92	6,645.28
Total assets		5,990.99	9,916.49
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	1.00	1.00
b) Other equity	17	4,657.76	4,136.50
Total equity		4,658.76	4,137.50
Liabilities			
Non-current liabilities			
a) Provisions	18	138.50	158.58
b) Other non-current liabilities	19	321.39	431.33
Total non-current liabilities		459.89	589.91
Current liabilities			
a) Financial liabilities			
(i) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises		34.30	19.02
- Total outstanding dues of creditors other than micro enterprises and small enterprises		567.84	813.06
(ii) Other financial liabilities	21	1.10	0.88
b) Other current liabilities	22	211.69	4,285.23
c) Provisions	23	57.41	70.89
Total current liabilities		872.34	5,189.08
Total equity and liabilities		5,990.99	9,916.49

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

Arun Tandon
Partner
Membership No. 517273

Place : New Delhi
Date : May 30, 2023

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

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Mr. Narotam Kumar Juneja
Director - Technical & Complian
(DIN 01204817)

Panacea Biotec Pharma Limited
Statement of Profit and Loss for the year ended March 31, 2023

(Rs. in million)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	24	1,873.61	3,908.31
Other income	25	297.36	128.56
Total income		2,170.97	4,036.87
Expenses			
Cost of materials consumed	26	799.33	1,089.30
Purchase of traded goods	27	3.93	137.14
Changes in inventories of finished goods, traded goods and work-in-progress	28	58.91	130.00
Employee benefits expense	29	511.93	1,060.08
Finance costs	30	3.88	1,783.43
Depreciation and amortisation expense	31	144.26	187.73
Other expenses	32	956.59	1,101.53
Total expenses		2,478.83	5,489.23
Profit/(Loss) before tax and exceptional item		(307.86)	(1,452.36)
Exceptional items	33	1,026.61	16,762.06
Profit/(Loss) before tax		718.75	15,309.70
Tax expense			
Current tax	34	22.34	4,006.40
Deferred tax		178.75	(298.49)
Total tax expense		201.09	3,707.91
Profit/(Loss) for the year		517.66	11,601.79
Other comprehensive income/(loss)			
Items that will be reclassified to profit or loss:			
(Profit)/Loss on Investments		(0.37)	-
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit plans	40	5.31	(8.07)
Income tax on above		(1.34)	2.03
Total other comprehensive income/(loss) (net of tax)		3.60	(6.04)
Total comprehensive income/(loss) for the year		521.26	11,595.75
Earning/(Loss) per equity share - basic and diluted (face value of Rs.1 each) (in Rs.)	35	517.66	11,601.79

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

Arun Tandon
Partner
Membership No. 517273

Place : New Delhi
Date : May 30, 2023

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

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Mr. Narottam Kumar Juneja
Director - Technical & Compliance
(DIN 01204817)

Panacea Biotec Pharma Limited
Cash Flow Statement for the for the year ended March 31, 2023

(Rs. in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit/(Loss) before tax	718.73	15,309.70
Adjustment for:		
Depreciation and amortisation expense	144.26	167.73
Unrealized foreign exchange (profit)/loss (net)	(11.29)	0.02
Intangibles assets under development provided / written off	0.19	7.85
Excess provisions / debt written back	(82.12)	(24.19)
Gain on sale of Property, plant and equipments	0.04	(0.02)
Allowance for expected credit loss and doubtful advances	66.26	5.16
(Gain)/Loss on termination of leases	-	(34.32)
Interest income	(154.52)	(17.27)
Income from investments	(14.46)	(0.01)
Gain on sale of domestic formulation brands	(1,026.61)	(16,762.06)
Finance costs	3.88	1,783.45
Operating profit/(loss) before working capital changes	(355.62)	436.04
Changes in working capital		
Inventories	1.83	46.60
Trade receivables	76.78	(624.03)
Loans and other assets	(200.42)	221.89
Trade payables	(150.12)	(212.21)
Provisions and Other Liabilities	(3,184.90)	3,629.26
Cash generated from/(used in) operating activities	(3,812.45)	3,497.55
Income tax (paid)	(20.15)	(4,030.40)
Net cash generated from/(used in) operating activities (A)	(3,832.60)	(532.85)
B. Cash flow from investing activities		
Payment for property, plant and equipment and intangible assets	(108.20)	(44.10)
Proceeds from sale of property, plant and equipment	0.74	1.02
Consideration received on sale of domestic formulation brands	-	18,220.00
Loans advanced to Holding Company and related parties	(1,520.98)	(300.00)
Loans repaid by Holding Company and related parties	1,143.45	-
Interest received	94.26	16.00
Income from investments	19.11	-
Investments in Mutual Funds & Bonds	(2,135.98)	(50.00)
Redemption of investment in Mutual Funds and Bonds	2,051.82	-
Investments in bank deposits having original maturity of more than three months	(5,396.61)	(5,709.31)
Redemption of investments in bank deposits having original maturity of more than three months	9,672.56	-
Net cash generated from/(used in) investing activities (B)	3,820.17	11,933.61
C. Cash flow from financing activities		
Repayment of borrowings	-	(7,544.40)
Payment of lease liabilities	-	(36.40)
Interest paid	(3.88)	(3,811.17)
Net cash generated from/(used in) financing activities (C)	(3.88)	(11,391.97)
Net increase /(decrease) in cash and cash equivalents during the year (A+B+C)	(16.31)	8.79
Cash and cash equivalents at the beginning of the year	51.42	42.77
Effects of change difference on translation of foreign currency	-	(0.14)
Cash and cash equivalents at the end of the year (refer note 11)	35.11	51.42

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

Arun Tandon
Partner
Membership No. 517273

Place : New Delhi
Date : May 30, 2023

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

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Mr. Narotam Kumar Juneja
Director - Technical & Compliance
(DIN 01204817)

Panacea Biotec Pharma Limited
Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(Rs. in million)

Particulars	Amount
Opening balance as at April 1, 2021	1.00
Change during the period	-
Closing balance as at March 31, 2022	1.00
Movement during the year	-
Closing balance as at March 31, 2023	1.00

Note: refer note 16 for share capital details

B. Other equity
(Refer note 17)

(Rs. in million)

Particulars	Reserves and surplus		Total
	Capital reserve	Retained earnings	
Balance as at April 1, 2021	(5,862.22)	(1,597.03)	(7,459.25)
Profit/(Loss) for the period	-	11,601.79	11,601.79
Other comprehensive income/(loss) for the year (net of tax)	-	(6.04)	(6.04)
Total comprehensive loss for the period	-	11,595.75	11,595.75
Balance as at March 31, 2022	(5,862.22)	9,998.72	4,136.50
Balance as at April 1, 2022	(5,862.22)	9,998.72	4,136.50
Profit/(Loss) for the period	-	317.66	317.66
Other comprehensive income/(loss) for the year (net of tax)	-	3.60	3.60
Total comprehensive income/(loss) for the year	-	321.26	321.26
Adjustment on account of slump sale			
Balance as at March 31, 2023	(5,862.22)	10,319.98	4,457.76

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

Arun Tandon
Partner
Membership No. 517273

Place : New Delhi
Date : May 30, 2023

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

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Mr. Narotum Kumar Juneja
Director - Technical & Complia
(DIN 01204817)

Panacea Biotec Pharma Limited
Summary of significant accounting policies for the period from April 1, 2022 to March 31, 2023

1. **Corporate information**

Panacea Biotec Pharma Limited (Corporate identification number: U24299DL2019PLC347566) ("PBPL" or "the Company") was incorporated on March 22, 2019 as a public company, domiciled in India. The Company is engaged in manufacturing and sales of branded pharmaceutical formulations, nutraceuticals and food & nutrition products. The Company has its registered office at B-1 Extension/A-27, Mohan Co-operative Industrial Estate, Mathura Road New Delhi – 110044, India. The Company is a wholly owned subsidiary of Panacea Biotec Limited ("PBL" or the Holding Company").

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, viz March 31, 2023. These standalone financial statements were authorized for issuance by the Board of Directors of the Company on May 30, 2023. 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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

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, components, 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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

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 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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd New Delhi-110044

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.

During the current financial year, the Company has considered it appropriate to undertake the impairment assessment based on certain indicators. With reference to the latest business plan, the decline in operating profits is considered temporary. Based on management's impairment assessment, recoverable amount is higher than the carrying amount of property, plant and equipment and hence, no impairment is recognized.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

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.

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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

Panacea Biotec Pharma Limited
Summary of significant accounting policies for the period from April 1, 2022 to March 31, 2023

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.

h. 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.

i. 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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts. Revenue is disclosed exclusive of goods and services tax.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

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.

m. Financial instruments

Recognition and initial measurement

Financial instruments 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi 110044

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 amortized cost. The impairment methodology applied depends on 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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

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). The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously

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 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 (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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110020

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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

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):

MCA has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 01, 2023.

Amendment to Ind AS 1 "Presentation of Financial Statements"

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general- purpose financial statement. The Company does not expect this amendment to have any significant impact in its financial statements.

Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

- The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Amendment to Ind AS 12 "Income Taxes"

- The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd.
New Delhi-110044

2.1 Property, plant and equipment

(Rs. in million)

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computer equipments	Total
Gross carrying value:								
As at April 1, 2021	187.13	691.23	865.72	11.42	0.32	5.37	5.90	1,767.09
Additions	-	-	66.59	-	0.48	1.82	9.64	78.53
Disposals	-	-	(1.01)	-	-	-	-	(1.01)
As at March 31, 2022	187.13	691.23	931.30	11.42	0.80	7.19	15.54	1,844.61
Additions	-	-	6.23	-	6.77	0.45	0.25	13.70
Disposals	-	-	(0.48)	-	(0.48)	-	-	(0.96)
As at March 31, 2023	187.13	691.23	937.05	11.42	7.09	7.64	15.79	1,857.35
Accumulated depreciation:								
As at April 1, 2021	-	34.84	176.82	3.50	0.01	0.52	1.07	216.76
Charge for the year	-	29.60	134.09	1.44	0.05	0.68	2.74	168.60
Disposals	-	-	(0.30)	-	-	-	-	(0.30)
As at March 31, 2022	-	64.44	310.61	4.94	0.06	1.20	3.81	385.06
Charge for the year	-	29.60	106.78	0.26	0.24	0.78	4.03	141.69
Disposals	-	-	(0.23)	-	(0.02)	-	-	(0.25)
As at March 31, 2023	-	94.04	417.16	5.20	0.28	1.98	7.84	526.50
Net carrying value:								
as at March 31, 2023	187.13	597.19	519.89	6.22	6.81	5.66	7.95	1,330.85
as at March 31, 2022	187.13	626.79	620.69	6.48	0.74	5.99	11.73	1,459.55

Notes :

(i) Refer note 39 for related party transaction disclosures.

(ii) Refer note 36 for information on contractual commitments related to property plant and equipment.

(iii) During the year, the Company evaluated impairment of its property, plant and equipment in terms of IND AS- 36, 'Impairment of Assets'. Where indicator exist, the carrying amount is tested annually at the year end for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognized in the standalone financial statement of the Company.

The Company carried out an impairment assessment of the aforesaid CGUs using a discounted cash flow model which is based on the net present value of the forecasted earnings of the cash-generating unit. This is calculated using certain assumptions viz. discount rate of 20.30%, terminal year growth rate of 4% and cash flow forecasts for 5 years. The Company has also involved independent, registered valuer to assess fair value of the property, plant and equipment and Company has calculated the value in use of the CGUs by cash flow approach. These forecasts contain management's best view of the expected performance of the CGUs based on the management's knowledge of the market environment, strategic initiatives and future business plans. As per the management assessment, there is no impairment required to be recognized in the statement of profit and loss account.

2.2 Capital work-in-progress

(Rs. in million)

Particulars	Amount
As at April 1, 2021	53.94
Additions	11.17
Capitalisation	53.77
Disposal	-
As at March 31, 2022	11.34
Additions	91.48
Capitalisation	(1.74)
Disposal	-
As at March 31, 2023	101.08

Notes:

(i) The capital work-in-progress relates to ongoing projects for construction and installation of property, plant and equipment.

(ii) Ageing for capital work-in-progress as at March 31, 2023:

(Rs. in million)

Capital work in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	89.74	11.17	0.17	-	101.08
Total	89.74	11.17	0.17	-	101.08

(iii) Ageing for capital work-in-progress as at March 31, 2022:

(Rs. in million)

Capital work in progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	11.17	0.17	-	-	11.34
Total	11.17	0.17	-	-	11.34

(iv) Projects in progress as on March 31, 2023 and as on March 31, 2022 have not exceeded the cost and timeline as compared to the respective original plans.

(v) The capital work in progress of projects as on March 31, 2023 will be capitalised upon completion in subsequent years.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

Panacea Biotec Pharma Limited
Notes to the financial statements for the year ended March 31, 2023

2.3 Other Intangible assets

(Rs. in million)

Particulars	Patents, trademarks and copyrights	Softwares	Products development	Total
Gross carrying value:				
As at April 1, 2021	0.18	1.17	9.97	11.32
Additions	0.53	1.80	-	2.33
As at March 31, 2022	0.71	2.97	9.97	13.65
Additions	-	2.17	102.28	104.45
As at March 31, 2023	0.71	5.14	112.25	118.10
Accumulated amortisation:				
As at April 1, 2021	0.02	0.80	1.99	2.81
Charge for the year	0.08	0.70	2.00	2.78
As at March 31, 2022	0.10	1.50	3.99	5.59
Charge for the year	0.08	0.44	2.05	2.57
As at March 31, 2023	0.18	1.94	6.04	8.16
Net carrying value:				
as at March 31, 2023	0.53	3.20	106.21	109.94
as at March 31, 2022	0.61	1.47	5.98	8.06

2.4 Intangible assets under development

(Rs. in million)

Particulars	Amount
As at April 1, 2021	131.37
Additions	2.18
Capitalisation	2.33
Disposal/written off	7.86
As at March 31, 2022	123.36
Additions	10.23
Capitalisation	(104.45)
Disposal/written off	(0.19)
As at March 31, 2023	28.95

Notes:

(i) The cost incurred on intangible assets under development relates to products development, patents, technical know-how and softwares.

(ii) Ageing for intangible assets under development as at March 31, 2023: (Rs. in million)

Capital work in progress	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in Progress	10.23	-	-	18.72	28.95
Total	10.23	-	-	18.72	28.95

(iii) Ageing for intangible assets under development as at March 31, 2022: (Rs. in million)

Capital work in progress	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	2.18	-	-	121.18	123.36
Total	2.18	-	-	121.18	123.36

(iv) Approval awaited from concerned regulatory authorities for projects amounting Rs.18.72 million which are outstanding for more than three years and the same will be capitalised on receipt of requisite approval from such regulatory authorities, which is expected in next 12 months.

(v) Projects in progress as on March 31, 2023 and as on March 31, 2022 have not exceeded the cost and timeline as compared to the respective original plans.

(vi) The capital work in progress of projects as on March 31, 2023 will be capitalised upon completion in subsequent years.

Panacea Biotec Pharma Limited

Notes to the financial statements for the year ended March 31, 2023

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
3 Loans (non-current)		
(Unsecured, considered good, unless stated otherwise)		
Loans to employees	1.76	-
Loans to related parties	822.52	500.00
Total (A)	824.28	500.00
(Unsecured, considered doubtful / credit impaired)		
Loans to related parties	55.00	-
Less: provision for impairment	(55.00)	-
Total (B)	-	-
Total (A+B)	824.28	500.00

Notes:

(i) Refer note 41 and 42 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, respectively.

(ii) Refer note 39 for related party transaction disclosures.

Particulars	As at March 31, 2023	As at March 31, 2022
4 Other financial assets (non-current)		
(Unsecured, considered good, unless stated otherwise)		
Security deposits	0.72	0.73
Bank deposits (due for maturity after 12 months from the reporting date)	22.41	831.55
Others	54.15	1.28
Total	77.28	833.56

Notes:

(i) Bank deposits amounting to Rs.22.41 million (March 31, 2022: Rs.29.22 million) are deposited with banks and various government authorities for tender, bank guarantee, margin money, etc.

(ii) Refer note 41 and 42 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, respectively.

Particulars	As at March 31, 2023	As at March 31, 2022
5 Deferred tax assets (net)		
Deferred tax liabilities arising on account of:		
Property, plant and equipment and intangible assets	231.13	251.83
Total (A)	231.13	251.83
Deferred tax assets arising on account of:		
Expenditure allowed on payment basis	68.20	59.86
Unabsorbed business losses and depreciation	48.96	-
Income received in advance	234.40	492.49
Total (B)	351.56	552.35
Total (B-A)	120.43	300.52

Note: Refer note 34 for movement in balances of deferred tax assets and/or liabilities.

Particulars	As at March 31, 2023	As at March 31, 2022
6 Income tax assets (net)		
Advance taxes (net of provisions for taxes)	23.20	25.38
Total	23.20	25.38
7 Other non-current assets		
(Unsecured, considered good, unless stated otherwise)		
Capital advances	3.49	9.04
Prepaid expenses	0.57	0.40
Total	4.06	9.44
8 Inventories		
(valued at lower of cost or net realisable value)		
Raw materials including packing materials	641.86	586.13
Finished goods (refer note (ii) below)	32.39	79.30
Traded goods	4.33	24.18
Work-in-progress	42.12	54.27
Stores and spares	48.54	27.19
Total	769.24	771.07

Notes:

(i) Refer note 26, 27 and 28 for consumption of raw material and changes in inventories recorded by the Company.

(ii) Includes goods in transit of Rs.1.46 million (March 31, 2022: Rs.0.80 million)

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
9 Investment (current)		
Carried at fair value through profit or loss		
Investment in mutual funds:		
SBI Overnight Fund Regular Growth Nil (March 31, 2022: 7,299,694) unit at NAV of Rs.3,608.3191 (March 31, 2022: Rs.3,424.63) each	-	25.00
Nippon India Overnight Fund - Growth Plan Nil (March 31, 2022: 219,818.896) unit at NAV of Rs.119.8626 (March 31, 2022: Rs.113.7495) each	-	25.01
Aditya Birla Sun Life Money Manager Fund - Growth-Regular Plan 104,214.961 (March 31, 2022: Nil) units at NAV of Rs.313.0282 (March 31, 2022: NA) each	32.62	-
Investment in bonds:		
HDFC Ltd 50 (March 31, 2022: Nil) Bonds of face value of Rs.1,000,000 each, market value Rs.49.99 million (March 31, 2022: NA)	50.70	-
National Bank For Agriculture And Rural Development 50 (March 31, 2022: Nil) Bonds of face value of Rs.1,000,000 each, market value Rs.49.97 million (March 31, 2022: NA)	50.84	-
Total	134.16	50.01
Aggregate cost of quoted investments	130.00	50.00
Aggregate market value of quoted investments	134.16	50.01
10 Trade receivables		
Unsecured, considered good	641.08	705.56
Unsecured, considered doubtful,	16.44	22.59
	657.52	728.15
Less: allowance for expected credit loss	(16.44)	(22.59)
Total	641.08	705.56

Notes:

(i) Refer note 41 and 42 for disclosure of fair value in respect of financial assets measured at amortized cost and disclosure for financial risk management for assessment of expected credit losses, respectively.

(ii) Ageing for trade receivables as at March 31, 2023:

(Rs. in million)

Particulars	Not due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	410.13	212.43	9.40	7.50	-	0.21	639.71
Undisputed trade receivables credit impaired	1.11	2.08	4.13	2.30	1.00	2.45	13.07
Disputed trade receivables considered good	-	0.57	-	0.80	-	-	1.37
Disputed trade receivables credit impaired	-	0.03	-	-	2.48	0.86	3.37
Total	411.26	215.13	13.53	10.6	3.48	3.52	657.52
Less: Allowance for doubtful trade receivables							(16.44)
Trade receivables (Net)							641.08

(iii) Ageing for trade receivables as at March 31, 2022:

(Rs. in million)

Particulars	Not due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	409.90	274.40	2.81	6.79	1.36	2.87	698.19
Undisputed trade receivables which have signifi	-	-	-	-	-	1.00	1.00
Undisputed trade receivables credit impaired	0.97	2.15	6.40	3.17	4.73	5.17	22.59
Disputed trade receivables considered good	-	1.03	0.38	3.13	0.64	0.59	5.77
Total	410.93	277.58	9.59	13.09	6.73	10.23	728.15
Less: Allowance for doubtful trade receivables							(22.59)
Trade receivables (Net)							705.56

(iv) Refer note 39 for related party transaction disclosures.

Particulars	As at March 31, 2023	As at March 31, 2022
11 Cash and cash equivalents		
Balances with banks		
- in current accounts	20.97	42.62
- in exchange earners' foreign currency accounts	13.94	8.45
Cash on hand	0.20	0.35
Total	35.11	51.42

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
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	1,488.95	4,955.75
Total	1,488.95	4,955.75
Note: Bank deposits amounting to Rs.26.87 million (March 31, 2022: Rs.17.58 million) are deposited with banks and various government authorities for tender, bank guarantee, margin money, etc.		
13 Loans (current)		
(Unsecured, considered good, unless stated otherwise)		
Loan to employees	7.74	5.92
Total	7.74	5.92
Note: Refer note 41 and 42 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, respectively.		
14 Other financial assets (current)		
(Unsecured, considered good, unless stated otherwise)		
Security deposits	1.75	13.15
Others	19.75	23.39
Total (A)	21.50	36.54
Unsecured, considered doubtful		
Accrued interest	1.10	-
Security deposits	4.79	1.25
	5.89	1.25
Less : allowance for doubtful deposits/advances	(5.89)	(1.25)
Total (B)	-	-
Total (A+B)	21.50	36.54
Note: Refer note 41 and 42 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, respectively.		
15 Other current assets		
(Unsecured, considered good, unless otherwise stated)		
Prepaid expenses	34.90	32.32
Export benefits receivable	5.84	4.79
Balances with statutory authorities	218.80	0.01
Advance to suppliers	13.60	31.89
Total (A)	273.14	69.01
(Unsecured, considered doubtful, credit impaired)		
Advance to suppliers	20.57	13.20
Less: Allowance for doubtful advances	(20.57)	(13.20)
Total (B)	-	-
Total (A+B)	273.14	69.01

(This space has been intentionally left blank)

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
16 Share capital		
Authorised		
100,000,000 (March 31, 2022: 100,000,000) Equity Shares of Re.1 each	100.00	100.00
50,000,000 (March 31, 2022: 50,000,000) Preference Shares of Rs.10 each	500.00	500.00
	600.00	600.00
Issued, subscribed and fully paid up		
1,000,000 (March 31, 2022: 1,000,000) Equity Shares of Re.1 each	1.00	1.00
Total	1.00	1.00

(a) Changes in authorised euity share capital:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Equity shares at the beginning of the year	100,000,000	100.00	10,000,000	10.00
Changes during the year	-	-	90,000,000	90.00
Equity shares at the end of the year	100,000,000	100.00	100,000,000	100.00

(b) Changes in authorised preference share capital:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Preference shares at the beginning of the year	50,000,000	500.00	59,000,000	590.00
Changes during the year	-	-	(9,000,000)	(90.00)
Preference shares at the end of the year	50,000,000	500.00	50,000,000	500.00

(c) Reconciliation of number of equity shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs. in million	No. of shares	Rs. in million
Equity shares at the beginning of the year	1,000,000	1.00	1,000,000	1.00
Changes during the year	-	-	-	-
Equity shares at the end of the year	1,000,000	1.00	1,000,000	1.00

(d) 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.

(e) Details of promoters' holding and shareholders holding more than 5% of equity shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Panacea Biotec Limited (and its nominees)	1,000,000	100.00%	1,000,000	100.00%

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

(f) 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.

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
17 Other equity		
Capital reserve	(5,862.22)	(5,862.22)
Retained earnings	10,519.98	9,998.72
Total	4,657.76	4,136.50

Note: For changes in balances of reserves, refer to the Statement of Changes in Equity

Nature and purpose of reserves

Capital reserve: Created pursuant to the transfer of pharmaceutical business from Panacea Biotec Limited under slump sale.

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.

(This space has been intentionally left blank)

WALKER CHANDIOK & CO LLP • CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. • New Delhi-110020

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
18 Provisions (non-current)		
Provision for gratuity (refer note 40)	65.58	70.64
Provision for compensated absences	41.62	59.22
Provision for expected sales return (refer note below)	31.30	28.72
Total	138.50	158.58
Note:		
Movement of provision for expected sales return		
Balance as at beginning of the year	28.72	-
Provided during the year	31.30	28.72
Utilised / reversed during the year	(28.72)	-
Balance as at end of the year	31.30	28.72
19 Other non-current liabilities		
Income received in advance (refer note 44(a))	321.39	431.33
Total	321.39	431.33
20 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	34.30	19.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	567.84	813.06
Total	602.14	832.08

Notes:

(i) Refer note 39 for related party transaction disclosures.

(ii) Ageing for trade payables outstanding as at March 31, 2023

(Rs. in million)

Particulars	Not due	Outstanding for periods from due date of payments				Unbilled due	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
Micro enterprises and small enterprises	28.24	5.87	0.19	-	-	-	34.30
Others	151.39	157.37	2.09	3.20	-	253.79	567.84
Total	179.63	163.24	2.28	3.20	-	253.79	602.14

(iii) Ageing for trade payables outstanding as at March 31, 2022

(Rs. in million)

Particulars	Not due	Outstanding for periods from due date of payments				Unbilled due	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
Micro enterprises and small enterprises	8.39	10.39	0.01	0.23	-	-	19.02
Others	292.03	216.48	5.78	3.01	71.90	223.86	813.06
Total	300.42	226.87	5.79	3.24	71.90	223.86	832.08

(iv) 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 Company, the following are the details:

(Rs. in million)

Particular	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to any supplier as at the end of each accounting year:		
- Principal	34.30	19.02
- Interest	0.20	0.24
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	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.20	0.24
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, 2023	As at March 31, 2022
21 Other financial liabilities (current)		
Security Deposits	0.65	0.42
Others	0.45	0.46
Total	1.10	0.88

Note: Refer note 41 and 42 for disclosure of fair value in respect of financial liability measured at amortised cost and disclosure for financial risk management for assessment of expected credit losses, respectively.

Particulars	As at March 31, 2023	As at March 31, 2022
22 Other current liabilities		
Advances from customers	134.79	1,064.36
Deferred government grant	64.95	64.25
Statutory liabilities	11.95	3,154.62
Total	211.69	4,283.23
23 Provisions (current)		
Provision for compensated absences	45.28	59.38
Provision for gratuity (refer note 40)	12.13	11.51
Total	57.41	70.89

Panacea Biotec Pharma Limited
Notes to the financial statements for the year ended March 31, 2023

(Rs. in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
24 Revenue from operations		
Sale of products (net)		
Finished goods	1,763.02	3,416.15
Traded goods	42.70	431.41
Sale of services		
Contract manufacturing	48.70	45.21
Other operating revenue		
Export benefits	14.75	11.36
Scrap sale	4.44	4.18
Total	1,873.61	3,908.31
A. Disaggregated revenue from contracts with customers		
Revenue from sale of products and services		
Pharma	1,854.42	3,892.77
Other operating revenue		
Pharma	19.19	15.54
Total	1,873.61	3,908.31
Revenue by geography		
India	649.79	2,639.04
Outside India	1,223.82	1,269.27
Total	1,873.61	3,908.31
B. Reconciliation of gross revenue with the revenue from contracts with customers		
Gross revenue (refer note (i) below)	1,945.05	4,134.88
Adjusted for: discounts	(25.44)	(62.53)
Sales returns	(46.00)	(164.04)
	1,873.61	3,908.31

Notes:
(i) 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.
(ii) Refer note 39 for related party transaction disclosures.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. Information about trade receivables, contract assets from contracts with customers		
Trade receivables (refer note (i) below)	657.52	728.15
Contract liabilities		
- Advance from customers	456.18	1,497.69
	1,113.70	2,225.84

Notes:
(i) 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.
(ii) The adjustments of advances during the year are not considered to be significant.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
D. Movement in contract assets and contract liabilities		
Opening balance of contract liabilities	1,497.69	5.80
Additions during the year	13.52	1,492.28
Amount of revenue recognised against opening contract liabilities	(1,055.03)	(0.39)
Closing balance of contract liabilities	456.18	1,497.69
Opening balance of contract assets	728.15	601.47
Addition in balance of contract assets for current year	657.52	728.15
Amount of billing recognised against opening contract assets	(728.15)	(601.47)
Closing balance of contract assets	657.52	728.15

Notes:
(i) The contract liabilities are in the form of advance received from customers for which the obligation for supply of goods / service is not completed at the year end.
(ii) The contract assets are in the form of receivables which are included in income receivable and primarily relate to the Company's rights to consideration for goods sold to the customers.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110044

Panacea Biotec Pharma Limited
Notes to the financial statements for the year ended March 31, 2023

(Rs. in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
25 Other income		
Income from investments		
Fair value gain on investment in mutual funds	14.40	0.01
Interest income from		
Bank deposits	87.76	15.75
Bonds	5.01	-
Loans given	61.75	1.52
Others		
Excess provisions / debt written back	82.12	24.19
Lease rent	1.22	1.15
Gain on sale of property, plant and equipment (net)	-	0.02
Gain on foreign exchange transactions and translations (net)	25.60	11.15
Gain on termination of lease	-	54.32
Miscellaneous	19.44	20.45
Total	297.36	128.36
Note: Refer note 39 for related party transaction disclosures.		
26 Cost of materials consumed		
Raw materials including packing materials		
Inventories at the beginning of the year	586.13	498.77
Add : Purchases during the year	835.06	1,176.66
Less : Inventories at the end of the year	(621.86)	(586.13)
Total	799.33	1,089.30
27 Purchase of traded goods		
Purchase of traded goods	3.93	137.14
Total	3.93	137.14
Note: Refer note 39 for related party transaction disclosures.		
28 Changes in inventories of finished goods, stock in trade and work-in-progress		
Inventories at the end of the year		
Finished goods	52.39	79.30
Traded goods	4.33	24.18
Work-in-progress	42.12	54.27
Total	98.84	157.75
Inventories at the beginning of the year		
Finished goods	79.30	177.46
Traded goods	24.18	52.47
Work-in-progress	54.27	57.82
Total	157.75	287.75
Changes in inventories of finished goods and work-in-progress	58.91	130.00
29 Employee benefits expense		
Salary and wages	473.46	999.35
Contribution to provident and other funds	14.08	33.81
Staff welfare expenses	24.39	26.92
Total	511.93	1,060.08
Note: Refer note 39 for related party transaction disclosures.		
30 Finance costs		
Interest expense	0.81	1,778.07
Other borrowing costs	3.07	5.38
Total	3.88	1,783.45
Note: Refer note 39 for related party transaction disclosures.		
31 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	141.69	184.95
Amortisation of intangible assets	2.57	2.78
Total	144.26	187.73

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd.
New Delhi-110044

Panacea Biotec Pharma Limited
Notes to the financial statements for the year ended March 31, 2023

(Rs. in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
32 Other expenses		
Advertising and sales promotion	189.46	184.91
Allowance for expected credit loss and doubtful advances	66.26	5.16
Analytical testing and trial	33.99	40.18
Commission on sales	1.97	49.97
Consumption of stores and spares	84.59	136.23
Contract manufacturing	8.43	7.43
Directors' sitting fees	0.27	0.45
Donation to political party (refer note (ii) below)	15.00	-
Donation others	4.10	-
Freight and forwarding	95.38	134.81
Insurance	20.22	28.38
Intangibles assets under development provided / written off	0.19	7.85
Legal and professional	44.44	85.02
License fees	76.77	6.21
Loss on sale of property, plant and equipment (net)	0.04	-
Meetings and conferences	0.04	25.89
Miscellaneous	16.30	16.95
Office expenses	5.97	9.70
Other field expenses	-	4.28
Payment to statutory auditors (refer note (i) below)	2.73	4.77
Postage and communication	3.99	11.68
Power and fuel	95.19	113.17
Printing and stationery	1.87	7.47
Rates and taxes	39.16	38.56
Rent	44.03	35.31
Repair and maintenance :		
Buildings	4.69	6.31
Plant and machinery	30.61	31.70
Others	27.17	26.18
Security charges	8.65	8.11
Staff training and recruitment	2.66	9.40
Subscription	8.28	7.44
Travelling and conveyance	15.47	44.21
Vehicle running and maintenance	8.65	13.80
Total	956.59	1,101.53

Notes:

(i) Payment to auditors (exclude GST)		
As auditor		
- Audit fee	2.00	2.00
In other capacity		
- Certification and other matters	0.60	2.65
- Reimbursement of out of pocket expenses	0.13	0.12
Total	2.73	4.77

(ii) Donation to political party
(a) Electoral trust Rs.10.0 million
(a) Bhartiya Janta Party Rs.5.0 million
(iii) Refer note 39 for related party transaction disclosures.

33 Exceptional items		
Gain on sale of domestic formulation brands including deferred revenue recognised	1,026.61	16,762.06
Total	1,026.61	16,762.06

Note: Refer note 44(a)

WALKER CHANDIOK & CO LLP • CHARTERED ACCOUNTANTS •

Panacea Biotec Pharma Ltd. • New Delhi-110044 •

Panacea Biotec Pharma Limited
Notes to the financial statements for the year ended March 31, 2023

(Rs. in million)

Particulars	As at March 31, 2023	As at March 31, 2022
34 Tax expenses		
Income tax expense consists of the following:		
Current Tax	22.34	4,006.40
Deferred tax	178.75	(298.49)
Total tax expense	201.09	3,707.91
Reconciliation of tax expense applicable to loss before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:		
Profit/(Loss) before income taxes	718.75	15,309.70
At Company's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	180.91	3,853.85
Adjustments on account of deferred tax assets recognised on:		
Recognised for earlier years (on account of virtual certainity in current year)	22.34	(152.83)
Others	(2.16)	6.89
Total	201.09	3,707.91

Tax losses:

(a) The Company has recognised deferred tax assets to the extent that management is reasonably certain that the same would be available for adjustment against foreseeable tax profit. The Company has unabsorbed business losses and unabsorbed depreciation as per tax laws for Rs.127.69 million and for Rs.66.86 million respectively as at March 31, 2023 (March 31, 2022: Rs.Nil and for Rs.Nil respectively) that is available for off-setting against the future taxable profits of the Company.

(b) Movement in deferred tax assets/(liabilities):

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023:

(Rs. in million)

Particulars	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Deferred tax assets / liabilities in relation to:				
Deferred tax liabilities arising out of:				
Property, plant and equipment and intangible assets	251.83	(20.70)	-	231.13
Total (A)	251.83	(20.70)	-	231.13
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	59.86	9.68	(1.34)	68.20
Income received in advance	492.49	(258.09)	-	234.40
Effect of unabsorbed losses	-	48.96	-	48.96
Total (B)	552.35	(199.45)	(1.34)	351.56
Net deferred tax assets / (liabilities)	300.52	(178.75)	(1.34)	120.43

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022:

(Rs. in million)

Particulars	Opening balance	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Closing balance
Deferred tax assets / liabilities in relation to:				
Deferred tax liabilities arising out of:				
Property, plant and equipment and intangible assets	278.94	(27.11)	-	251.83
Right-of-use assets	91.64	(91.64)	-	-
Total (A)	370.58	(118.75)	-	251.83
Deferred tax assets arising out of:				
Expenditure allowed on payment basis	75.25	(17.42)	2.03	59.86
Revenue received in advance	-	492.49	-	492.49
Lease liabilities	98.96	(98.96)	-	-
Effect of unabsorbed losses / provisions	196.37	(196.37)	-	-
Total (B)	370.58	179.74	2.03	552.35
Net deferred tax assets / (liabilities)	-	298.49	2.03	300.52

The deferred tax assets on unabsorbed business losses and depreciation have been recognised only to the extent of deferred tax liabilities.

(Rs. in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
35 Earning/(Loss) per share		
Profit/(Loss) attributable to shareholders	517.66	11,601.79
Weighted average number of equity shares (in nos.)	1,000,000	1,000,000
Face value per equity share (in Rs.)	1.00	1.00
Earning/(Loss) per equity share - Basic and diluted earnings/(loss) per equity share (in Rs.)	517.66	11,601.79

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd.
New Delhi-110020

36 Contingent liabilities and commitments

A. The Company has Nil contingent liabilities.

B. Capital commitments

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, 2023	As at March 31, 2022
Property, plant and equipment	17.45	6.82

37 Leases

Company as a lessee

The Company does not have any long term non cancellable leases as at March 31, 2023 (March 31, 2022 : Nil).

Company as a lessor

The Company has entered into short-term lease agreements with its Holding Company which are treated as short term operating leases as per Ind AS 116 and rental income recognised by the Company from these lease are Rs.1.22 million for the year ended March 31, 2023 (March 31, 2022: Rs 1.15 million).

38 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, 2023	For the year ended March 31, 2022
Revenue expenditure		
Material consumed	2.38	4.13
Employee benefits expense	63.96	81.08
Other expenses	76.12	102.03
Depreciation and amortisation expense	23.73	35.83
Finance cost	-	11.18
Capital expenditure	10.83	2.07
Total	179.02	236.24

39 Related party disclosures

As per Ind AS 24, the disclosure of transactions with related parties are as given below:

A. List of related parties and relationship with whom transactions have taken place:

i) Holding Company : Panacea Biotec Limited ("PBL" or "Holding Company")

ii) Parties where Holding Company's control exists

Fellow subsidiaries:

Panacea Biotec (International) SA ("PBIS"), Switzerland

Panacea Biotec Germany GmbH ("PBGG"), Germany (Indirect WOS ("IWOS") through PBIS)

Meyten Realtech Pvt. Ltd. ("Meyten")

Rees Investments Limited ("Rees"), Island of Guernsey (WOS) (liquidated on May 23, 2019)

Adveta Power Private Limited ("Adveta")*

PanEra Biotec Private Limited ("PanEra")*

* considered as a subsidiary for the purpose of consolidation as per Ind AS 110

iii) Other related parties:

a) Key Management Personnel:

Dr. Rajesh Jain - Managing Director

Mr. Narottam Kumar Juneja - Whole-time Director (Appointed w.e.f. April 01, 2022)

Mr. Ankesh Jain - Director

Mr. K. M. Lal - Non-Executive Independent Director (upto July 13, 2021)

Mr. Avinash Ramchandra Kulkarni - Non-Executive Non Independent Director (upto March 10, 2022)

Mr. Deepak Bhimsander Karvinde - Non-Executive Independent Director (upto March 7, 2022)

Mr. Shamsun Yeshwant Nakwadi - Non-Executive Non Independent Director (upto March 09, 2022)

Mrs. Manjula Upadhyay - Non-Executive Non Independent Director (w.e.f. July 23, 2021)

b) Director other than Independent Director / Key Management Personnel of Holding Company:

Mr. Soshil Kumar Jain - Chairman and Whole-time Director (upto October 7, 2022)

Mr. Sandeep Jain - Joint Managing Director

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")

First Lucre Partnership Co. (holding shares in the Holding Company)

MB Lux Corp LLP

d) Other relatives of key management personnel having transactions with the Company or Holding Company:

Mrs. Nirmala Jain, wife of Late Mr. Soshil Kumar Jain, mother of Dr. Rajesh Jain

Mr. Ashwani Jain, son-in-law of Mr. Soshil Kumar Jain (cease to be a relative post demise of Mr. Soshil Kumar Jain on October10, 2022)

Mr. Harshet Jain, son of Dr. Rajesh Jain and brother of Mr. Ankesh Jain

Mrs. Sunanda Jain (relative of KMP, having transaction from November 14, 2020 to March 14, 2022)

Mr. Sumit Jain (KMP's relative having transaction from November 14, 2020 to August 13, 2021)

Mr. Tanish Jain son of Mr. Sandeep Jain (employed with effect from May 19, 2022)

B. Transactions with related parties:

(Rs. in million)

S. No. Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
I Transactions made during the year:		
1 With Holding company:		
i) Sale of raw materials / goods	7.97	7.61
ii) Interest income	60.17	1.42
iii) Purchase of goods / material	0.80	1.54
iv) Reimbursement of expenses	11.09	9.50
v) Recovery of expenses	25.30	7.12
vi) Rent and other expenses paid / provided	22.85	49.67
vii) Sale of property, plant and equipment	0.37	0.73
viii) Purchase of property, plant and equipment	-	1.50
ix) Loan given	1,464.50	500.00
x) Loan repayment received	1,143.45	-
2 With other related parties:		
i) Loan given to PanEra	55.00	-
ii) Interest income from PanEra	1.22	-
iii) Loan given to Adveta	0.20	-
iv) Interest income from Adveta	0.01	-
v) Sale of goods to PBGG	4.57	1.87
vi) Allowance for expected credit loss and doubtful advances against PanEra	56.10	-
vii) Director remuneration - Mr. Narotam Kumar Juneja	1.60	-
viii) Sitting fee paid:		
Mr. Deepak Shamsunder Kanvinde	-	0.20
Mrs. Manjula Upadhyay	0.27	0.20
Mr. K. M. Lal	-	0.05
II Year end balances	As at March 31, 2023	As at March 31, 2022
1 Interest accrued on loans from:		
i) PBL	54.13	1.28
ii) PanEra	1.10	-
iii) Adveta	0.01	-
2 Provision for impairment on loan given to PanEra and interest accrued thereon	1.10	-
3 Outstanding loans receivables from		
i) PBL	822.33	500.00
ii) PanEra	55.00	-
iii) Adveta	0.20	-
4 Outstanding trade receivable from		
i) PBGG	1.95	1.89
ii) PBL	177.13	142.05
5 Post employment benefits - Mr. Narotam Kumar Juneja	0.04	-
6 Equity investment by PBL	1.00	1.00

(This space has been intentionally left blank)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Panacea Biotec Pharma Ltd. * New Delhi-110044 *

40 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 then 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	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 Payment of Gratuity Act, 1972. 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 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 Company expects to contribute Rs 13.69 million (March 31, 2022: Rs 11.51 million) towards gratuity during next year.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 13.71 years (March 31, 2022: 14.02 years)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the period are as follows:

(Rs. in million)

	Particulars	As at March 31, 2023	As at March 31, 2022
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	78.58	85.02
	Fair value of plan assets as at the end of the year	0.87	2.88
	Net liability position recognised in balance sheet	77.71	82.14
	Current portion of liability	12.13	11.50
	Non current portion of liability	65.58	70.64
		77.71	82.14
b.	Changes in defined benefit obligation:		
	Present value of defined benefit obligation as at the beginning of the year	85.02	111.49
	Current service cost	6.87	7.45
	Interest cost	6.17	7.54
	Benefits paid for eligible employees	(14.23)	(49.02)
	Actuarial (gain)/loss	(5.25)	7.56
	Present value of defined benefit obligation as at the end of the year	78.58	85.02
c.	Net interest cost:		
	Interest cost on defined benefit obligation	6.17	7.54
	Interest income on plan assets	0.21	0.70
	Net interest cost	5.96	6.84
d.	Amount recognised in the statement of profit and loss:		
	Current service cost	6.87	7.45
	Net interest cost	5.96	6.84
	Amount recognised in the statement of profit and loss	12.83	14.29
e.	Change in plan assets:		
	Fair value of the plan assets at the beginning of the period	2.88	10.47
	Actual return on plan assets	0.28	0.21
	Employer contribution	11.50	5.00
	Fund management charges	(0.01)	(0.02)
	Benefits paid for eligible employees	(13.78)	(12.78)
	Fair value of the plan assets at the end of the year	0.87	2.88
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 (gain)/loss on arising from change in financial assumptions	(0.81)	(3.36)
	Actuarial loss on arising from experience adjustment	(4.44)	10.92
	Actuarial (gain)/loss on arising on plan assets	0.27	0.51
	Total actuarial (gain)/ loss for the year	(4.98)	8.07
h.	Actuarial assumptions:		
	Discount rate	7.39%	7.26%
	Future salary increase	6.00%	6.00%
i.	Demographic assumption:		
	Retirement age (years)	60	60
	Mortality rates inclusive of provision for disability	100%	100%
	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

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd.
New Delhi-110044

(Rs. in million)

	Particulars	As at March 31, 2023	As at March 31, 2022
j.	Sensitivity analysis for gratuity liability:		
	Impact of the change in discount rate		
	a) Impact due to increase of 0.50%	(3.03)	(3.30)
	b) Impact due to decrease of 0.50%	3.24	3.43
	Impact of the change in salary increase		
	a) Impact due to increase of 0.50%	2.86	3.00
	b) Impact due to decrease of 0.50%	(2.69)	(2.80)
k.	Maturity profile of defined benefit obligation:		
	With in next 12 months	4.22	16.76
	Between 1-5 years	15.77	14.31
	Beyond 5 years	50.63	53.97

iii. Defined contribution plans:
The Company's contribution to state governed provident fund scheme are considered as defined contribution plans. The contribution for the current year is Rs.13.01 million (March 31, 2022 : Rs.30.85 million) is recognised as an expense, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds.

41 Fair value measurements

A Financial assets and liabilities
The carrying amounts and fair values of financial instruments by class are as follows:

As at March 31, 2023 (Rs. in million)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	134.16	-	-
(ii) Trade receivables	-	-	641.08
(iii) Cash and cash equivalents	-	-	35.11
(iv) Other bank balances	-	-	1,488.95
(v) Loans	-	-	812.02
(vi) Others financial assets	-	-	98.78
Total	134.16	-	3,093.94
Financial liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables	-	-	602.14
(iii) Other financial liabilities	-	-	1.10
Total	-	-	603.24

As at March 31, 2022 (Rs. in million)

Particulars	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets			
(i) Investments	50.01	-	-
(ii) Trade receivables	-	-	705.56
(iii) Cash and cash equivalents	-	-	51.42
(iv) Other bank balances	-	-	4,955.75
(v) Loans	-	-	505.92
(vi) Others financial assets	-	-	870.10
Total	50.01	-	7,088.75
Financial liabilities			
(ii) Trade payables	-	-	812.08
(iii) Other financial liabilities	-	-	0.88
Total	-	-	812.96

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
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.

B1 Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. in million)

Investments	Level 1	Level 2	Level 3
As at March 31, 2023	134.16	-	-
As at March 31, 2022	50.01	-	-

B2 Financial assets and liabilities are measured at amortised cost. All the financial assets and liabilities valued at amortised cost form part of Level 3 of hierarchy table. Further, the carrying amounts of trade receivables, cash and cash equivalents, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature. The fair value of all financial assets and financial liability, approximates the amortised cost due to their short term nature. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd. New Delhi-110020

42 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, other bank balances, loans, trade	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, 2023	As at March 31, 2022
Cash and cash equivalents	A: Low credit risk	35.11	51.42
Other bank balances	A: Low credit risk	1,488.95	4,955.73
Loans	A: Low credit risk	832.02	505.92
Other financial assets	A: Low credit risk	98.78	870.16
Trade receivables	B: Medium credit risk	641.08	705.56
Other financial assets	C: High credit risk	5.89	1.25
Trade receivables	C: High credit risk	16.44	22.59

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 amortised cost includes, 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, 2023 (Rs. in million)

Particulars	Estimated gross carrying amount	Expected probability of	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	35.11	0.00%	-	35.11
Other bank balances	1,488.95	0.00%	-	1,488.95
Loans	832.02	0.00%	-	832.02
Other financial assets	104.67	5.63%	5.89	98.78

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Panacea Biotec Pharma Ltd New Delhi-110044

As at March 31, 2022 (Rs. in million)

Particulars	Estimated gross carrying amount	Expected probability of	Expected credit losses	Carrying amount net of impairment
Cash and cash equivalents	31.42	0.00%	-	31.42
Other bank balances	4,355.73	0.00%	-	4,355.73
Loans	305.92	0.00%	-	305.92
Other financial assets	871.35	0.14%	1.25	870.10

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. 411.21 million (March 31, 2022: Rs. 787.89 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, 2023 (Rs. in million)

Particulars	Not Due	Past due date						Total
		0-30 days	31-90 days	91-180 days	181-365 days	366-730 days	More than 730 days	
Gross carrying amount	139.31	41.76	19.33	18.12	10.00	10.60	6.79	246.31
Expected loss rate	0.80%	1.56%	3.41%	4.35%	41.27%	21.68%	100.00%	6.67%
Expected credit loss	1.12	0.65	0.66	0.80	4.13	2.30	6.79	16.44
Carrying amount (net of impairment)	138.39	41.11	18.67	17.32	5.87	8.30	-	229.87

As at March 31, 2022 (Rs. in million)

Particulars	Not Due	Past due date						Total
		0-30 days	31-90 days	91-180 days	181-365 days	366-730 days	More than 730 days	
Gross carrying amount	215.40	33.80	84.23	32.05	11.93	12.86	15.99	446.26
Expected loss rate	0.45%	0.80%	0.14%	5.49%	2.60%	24.65%	100.00%	5.06%
Expected credit loss	0.97	0.27	0.12	1.76	0.31	3.17	15.99	22.59
Carrying amount (net of impairment)	214.43	33.53	84.11	30.29	11.62	9.69	-	423.67

Changes in allowance for trade receivables (Rs. in million)

Particulars	Amount
As at April 1, 2021	17.51
Movement during the year	5.08
As at March 31, 2022	22.59
Movement during the year	(6.15)
As at March 31, 2023	16.44

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, 2023 (Rs. in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Trade payables	602.14	-	-	-	602.14
(ii) Other financial liabilities	1.10	-	-	-	1.10
Total	603.24	-	-	-	603.24

As at March 31, 2022 (Rs. in million)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Trade payables	832.08	-	-	-	832.08
(ii) Other financial liabilities	0.88	-	-	-	0.88
Total	832.96	-	-	-	832.96

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 is currently not exposed to the risk of changes in market interest rates as there is no borrowings in the Company.

In view of the above, the Company is not exposed to fluctuation in interest rate risk on borrowings as it does not have any borrowings.

Walker Chandiok & Co LLP Chartered Accountants

Panacea Biotec Pharma Ltd. New Delhi 110020

(II) Foreign currency risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the United States Dollar (USD), EURO, Russian Rouble (RUB). 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:

(Rs. in million)

Particulars in foreign currency	As at March 31, 2023			As at March 31, 2022		
	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						
USD	80,307	82.17	6.60	406	75.79	0.03
Euro	80,735	89.05	7.19	100,000	83.99	8.40
RUB	144,955	1.05	0.15	257,732	0.09	0.02
Accrued receivable						
USD	179,396	82.17	14.74	302,277	75.79	22.91
Foreign trade receivable						
USD	1,637,574	82.17	136.19	2,227,182	75.79	168.79
Euro	2,521,276	89.05	224.53	789,116	83.99	66.27
Financial liabilities						
Foreign trade payable						
USD	392,109	82.18	32.22	2,343,809	75.80	177.66
Euro	243,288	89.14	21.69	44,622	84.07	3.75
Net exposure						
USD	1,525,168	-	125.31	186,056	-	125.31
Euro	2,358,723	-	210.03	844,494	-	210.03
RUB	144,955	-	0.15	-	-	0.15

* 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 and equity

(Rs. in million)

	+/(-) in basis points	Impact on Profit/ (loss) for the year ended	
		March 31, 2023	March 31, 2022
United States Dollar ('USD')	+200	1.88	1.88
	(200)	(1.88)	(1.88)
Euro ('EUR')	+500	7.86	7.86
	(500)	(7.86)	(7.86)

43 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 Company does not have any current or non-current borrowing as on March 31, 2023 and March 31, 2022.

(This space has been intentionally left blank)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Panacea Biotec Pharma Ltd. * New Delhi-110044 *

Panacea Biotec Pharma Limited
Notes to the financial statements for the year ended March 31, 2023

44 a) During the previous year, the Board of Directors of the Company and its Holding Company Panacea Biotec Limited (PBL) in their respective meetings held on February 1, 2022, have approved sale of Company's pharmaceutical formulations brands in India and Nepal including related trademarks, copyrights etc., including transfer of identified employees (the Domestic Pharma Brands") to Mankind Pharma Limited (the "Buyer") for an aggregate consideration of Rs.18,720.00 million plus applicable taxes. The said transaction was approved by the shareholders of Company and its Holding Company in their respective meetings held on February 23, 2022 and February 26, 2022 respectively. Subsequently, the Company and its Holding Company signed the Definitive Agreements including the asset purchase agreement with the Buyer on February 28, 2022. Out of the total consideration, PBPL has recognised revenue of Rs.1,026.61 million (March 31, 2022: Rs.16,762.06 million) which is shown as an "Exceptional Item" in the Statement of Profit and Loss. The remaining consideration of Rs.931.22 million (March 31, 2022: Rs.1,957.94 million) would be recognized as revenue in subsequent years and is shown as contract liability in the financial statement.

b) On March 03, 2022, the Company had repaid Rs.10,980.77 million to redeem its outstanding liability of non-convertible debentures ("NCDs") of Rs.7,544.45 million along with a redemption premium of Rs.3,436.32 million. Consequently, the Company became a debt free Company. Subsequently, the mortgage and hypothecated charge created earlier in favor of Vistra (ITCL) India Limited (acting as trustee on behalf of debenture holders) to secure the aforesaid NCDs, which includes the guarantees issued by the Company, it's promoters, directors of the Company and the Holding Company has been released.

45 For the financial year ended March 31, 2023, the Company earned a profit before tax of Rs.718.75 million (year ended March 31, 2022: Rs.15,309.70 million). The Company has already taken various measures aimed at improving the financial condition of the Company, inter-alia, sale of pharmaceutical formulations brands, as explained in note 44 above, which enabled the Company to repay its outstanding dues of Non-Convertible Debenture (NCDs) and retain sufficient surplus to fund its existing projects and operations and also help the Company to enter new market and expediting development of new products. The surplus funds with the Company has also strengthened the working capital position and scaling up the pharmaceutical formulations business in international markets including ROW countries, USA / EU, etc. Based on these measures and continuous efforts to improve the business performance, the management has prepared the financial statements on going concern basis.

46 The Board of Directors of the Company and its Holding Company in their respective meetings held on May 18, 2022 and Board of directors of the Holding Company's associate company PanEra Biotec Pvt. Ltd ("PanEra") and Holding Company's joint venture company Adveta Power Pvt. Ltd. ("Adveta") in their respective meetings held on May 16, 2022, approved the merger of PanEra and Adveta with the Company. The approval of Shareholders, NCLT and other requisite concerned authorities of respective companies is yet to be taken.

47 Additional regulatory information required by Schedule III under Companies Act 2013:

(i) The Company does not have any Benami Property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with struck off companies.

(iii) The Company does not have any charges or satisfaction of charge which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or
- provide any guarantee, security or the like to or on behalf of the Funding Party.

(vii) The Company has not entered into any transaction which is not recorded into the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).

(viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(ix) The Company has complied with the number of layers prescribed under Section 2 (87) of the Act read with the Companies (Restriction on Number of Layers) Rules, 2017.

(x) No scheme of arrangements has been approved by the Competent Authority in term of sections 230 to 237 of the Companies Act, 2013, during the year.

(xi) The Company does not have any borrowings from banks or financial institutions against security of its current assets.

(xii) The title deeds of the immovable properties owned by the Company are held in the name of Company.

48 Analytical ratios are as follows:

Ratio	Numerator	Denominator	2022-23	2021-22	Variance in (%)
Current Ratio[a]	Total current Assets	Total current liabilities	3.86	1.28	201.74%
Debt equity ratio[b]	Debt consists of borrowings and accrued interest	Total equity	-	-	-
Debt service coverage ratio[b]	Earnings for Debt service	Debt Service	342	0.18	-
Return on equity ratio[c]	Net Profits after Taxes	Average Shareholder's Equity	11.77%	280.41%	(95.80)%
Inventory turnover ratio[d]	Cost for goods sold	Average Inventory	1.12	1.71	(34.44)%
Trade receivables turnover ratio[e]	Revenue	Average Trade Recievables	3.78	6.16	(34.09)%
Trade payables turnover ratio[f]	Net credit purchases	Average Trade Payables	1.20	1.40	(14.39)%
Net capital turnover ratio (in times)[g]	Revenue	Average working capital	0.95	2.68	(64.70)%
Net profit ratio (%)[h]	Profit for the year	Revenue	27.63%	296.85%	(90.69)%
Return on capital employed (%)[h]	Profit before tax and finance cost	Tangible Networth+Total Debt	13.31%	413.13%	(96.25)%
Return on Investment (%)[i]	Income generated from invested funds	Average invested funds in treasury investments	5.83%	3.65%	59.63%

Notes:

a. Due to decline in current liabilities

b. Not Meaningful (NM) in FY2023, as the Company has no debt

c. Due to lower exceptional income

d. Due to lower sales (weak sales)

e. Due to lower sales relaizations (inefficient collection processes)

f. There is no significant change (25.0% or more) in FY2022-23 in comparision to FY2021-22.

g. Due to lower revenue

h. Due to lower exceptional income

i. Due to higher income on account of high interest rate

49 During the year ended March 31, 2023, the Company has reclassified / regrouped certain amounts pertaining to year ended March 31, 2022. Considering the nature and amount of these reclassification/regrouping, the impact is immaterial for the user of the financial statements. The same is disclosed here below in accordance with the requirements of Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

(Rs. in million)

Particulars	March 31, 2022 (Reported)	Adjustment	Revised balance
Current assets- Trade receivables	1,205.56	(500.00)	705.56
Other non-current liabilities- Income received in advance	681.23	(250.00)	431.23
Other current liabilities- Advances from customers	1,316.36	(250.00)	1,066.36

50 The Government of India has promulgated the Code on Social Security, 2020 in financial year 2020-21, which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

51 The business activity of the Company predominantly falls within a single reportable business segment. There are no separate reportable business segments. Further the operations of the Company are limited within one geographical segment.

52 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.

53 There is no other subsequent events that occurred after reporting date.

As per report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Arun Tandon
Partner
Membership No. 5172[illegible]

Place : New Delhi
Date : May 30, 2023

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

Dr. Rajesh Jain
Managing Director
(DIN 00013053)

Mr. Narottam Kumar Juneja
Director - Technical & Compliance
(DIN 01204817)