

13th September, 2017

The Manager, Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Symbol : PANACEABIO

BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
BSE Scrip Code: 531349

Reg.: Outcome of Board Meeting

Dear Sir,

This is in continuation to our letters dated 9th August, 2017, 30th August, 2017 and 9th September, 2017.

We would like to inform you that the Board of Directors of the Company has, at its meeting held today, i.e. 13th September, 2017, inter-alia, considered and approved the following:

1. Unaudited Financial Results (Provisional) of the Company (which have been subjected to Limited Review by the Statutory Auditors) for the quarter ended 30th June, 2017 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The same were also reviewed by the Audit Committee in its meeting held on 12th September, 2017. A copy of the same along with the Limited Review Report is enclosed herewith as **Annexure - A**;
2. Proposal to obtain approval of the shareholders to enable the Company for raising of funds upto Rs. 250 Crore (Rupees Two Hundred and Fifty Crore only) by way of including but not limited to qualified institutions placement (QIP), Foreign Currency Convertible Bond (FCCB), convertible securities or any other method through postal ballot (including e-voting); and
3. Demerger of real estate business of the Company through Scheme of Arrangement subject to applicable approvals. The detailed disclosure as required under Regulation 30 of SEBI Listing Regulations relating to the demerger will be sent in due course.

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

Further, pursuant to Regulation 47(1)(b) of SEBI Listing Regulations, the Extract of Statement of Unaudited Financial Results (Provisional) for the quarter ended 30th June, 2017 in the Format as prescribed in Annexure I of SEBI Circular No. CIR/CFD/FAC/62/2016 dated 05.07.2016 is being sent for publication in newspapers.

Contd.....2/-

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Panacea Biotec Ltd.

CIN: L33117PB1984PLC022350

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

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The meeting of the Board of Directors commenced at 11:30 A.M. and concluded at 05:00 P.M.

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

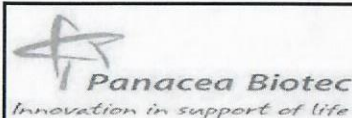
Thanking you,
Sincerely yours,
for **Panacea Biotec Ltd.**



Vinod Goel
Group CFO and Head Legal
& Company Secretary



Encl. : As above.



Extract of Standalone Financial Results (Unaudited) for the Quarter ended June 30, 2017

(Rs. in Lakhs)

Particulars	For the quarter ended	
	June 30, 2017	June 30, 2016
Total income from operations (Gross)	10,887	13,706
Net Profit / (Loss) for the period (before tax, exceptional and/or extra-ordinary items)	(4,632)	(2,082)
Net Profit / (Loss) for the period before tax (after exceptional and/or extra-ordinary items)	(4,632)	(2,082)
Net Profit / (Loss) for the period after Tax (after Exceptional and extraordinary items)	(4,799)	(2,049)
Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after Tax)]	(4,799)	(2,049)
Equity Share Capital	612.51	612.51
Earning per Share (of Re. 1 each) (for continuing and discontinued operations):		
Basic :	(7.84)	(3.35)
Diluted:	(7.84)	(3.35)

Notes:

- 1 The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results is available on the Stock Exchanges websites, NSE- <http://www.nseindia.com>, BSE- <http://www.bseindia.com> and is also available on the Company's website, <http://www.panaceabiotec.com>.
- 2 The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on September 12, 2017 and September 13, 2017 respectively. Further, the limited review of Financial Results for the quarter ended June 30, 2017, in terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, has been carried out by the statutory auditors.
- 3 The Company has adopted Indian Accounting Standards ("IND-AS") effective April 1, 2017 (transition date being April 1, 2016) and accordingly, the financial results for the quarter ended June 30, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the IND-AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Ind-AS compliant financial results, pertaining to the quarter ended June 30, 2016, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 4 Previous period / year amounts have been regrouped/ reclassified to make them comparable with those of current period/year.

Place: New Delhi
Date: September 13, 2017



For and on behalf of the Board

R. Jain

Dr. Rajesh Jain

Joint Managing Director

[Signature]

Panacea Biotec Limited

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

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

**Statement of Standalone Financial Results
(Unaudited) for the Quarter ended June 30, 2017**

(Rs. in Lakhs)

S.No	Particulars	For the quarter ended	
		June 30, 2017	June 30, 2016
I	Income:		
	a) Revenue from operations (gross)	10,764	12,550
	b) Other income	123	1,156
	Total Income	10,887	13,706
II	Expenditure:		
	a) Cost of raw and packing materials consumed	3,602	3,878
	b) Purchase of traded goods	442	507
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(54)	(576)
	d) Excise duty	337	184
	e) Employee benefit expenses	3,157	3,354
	f) Depreciation and amortisation expenses	1,439	1,672
	g) Finance cost	2,591	2,552
	h) Other expenditure (net)	4,005	4,217
	Total expenses	15,519	15,788
III	Profit/(Loss) before exceptional and extra-ordinary items and tax (I-II)	(4,632)	(2,082)
IV	Exceptional items	-	-
V	Profit/(Loss) before Tax (III-IV)	(4,632)	(2,082)
VI	Tax expense:		
	a) Current tax	247	-
	b) Deferred tax	(80)	(33)
	Total tax exepenses	167	(33)
VII	Net Profit/(Loss) for the period (V-VI)	(4,799)	(2,049)
VIII	Other comprehensive income		
	Total other comprehensive (loss)/income (net of tax)	-	-
IX	Total comprehensive income for the period (VII+VIII)	(4,799)	(2,049)
X	Paid-up equity share capital	612.51	612.51
XI	Earning per share for the period (of Re. 1/- each), (not annualised)		
	Basic (in Rs.)	(7.84)	(3.35)
	Diluted (in Rs.)	(7.84)	(3.35)



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Statement of Standalone Financial Results (Unaudited) for the Quarter ended June 30, 2017		
Unaudited Segment-wise Revenue, Results and Capital Employed		
(Rs. in Lakhs)		
Particulars	For the quarter ended	
	June 30, 2017	June 30, 2016
a) Segment revenue (gross)		
(i) Vaccines	2,979	3,133
(ii) Formulations	7,702	9,378
(iii) Research & development	81	39
(iv) Unallocated	2	-
Sub total	10,764	12,550
Less: Inter segment revenue	-	-
Total segment revenue	10,764	12,550
b) Segment results		
Profit (+)/ loss (-) before tax and interest		
(a) Vaccines	(765)	386
(b) Formulations	1,460	2,745
(c) Research & development	(1,275)	(1,209)
Sub total	(580)	1,922
Less : i) Finance cost	2,591	2,552
ii) Other unallocated expenditure net of unallocated income	1,461	1,452
Total Profit before tax	(4,632)	(2,082)
c) Capital employed		
Segment assets		
(i) Vaccines	50,764	58,841
(ii) Formulations	40,560	40,174
(iii) Research & development	21,557	20,781
(iv) Unallocated	50,507	54,593
Sub total	163,388	174,389
Segment liability		
(i) Vaccines	3,824	2,964
(ii) Formulations	15,742	13,820
(iii) Research & development	2,866	2,378
(iv) Unallocated	108,799	113,212
Sub Total	131,231	132,374
Capital employed		
(Segment assets - segment liabilities)		
(i) Vaccines	46,940	55,877
(ii) Formulations	24,818	26,354
(iii) Research & development	18,691	18,403
(iv) Unallocated	(58,292)	(58,619)
Total capital employed	32,157	42,015



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Notes:

- 1 The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on September 12, 2017 and September 13, 2017 respectively. Further, the limited review of Financial Results for the quarter ended June 30, 2017, in terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, has been carried out by the statutory auditors.
- 2 The Company has adopted Indian Accounting Standards ("IND-AS") effective April 1, 2017 (transition date being April 1, 2016) and accordingly, the financial results for the quarter ended June 30, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the IND-AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. Ind-AS compliant financial results, pertaining to the quarter ended June 30, 2016, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- 3 Reconciliation of Profit between IND-AS and Indian GAAP for the quarter ended June 30, 2016 is as follows:

Particulars	Amount
Profit/(loss) as per previous GAAP	(1,967)
- Adjustment on effective interest rates on borrowings	(51)
- Adjustment of grant income	33
- Impact of excepted credit loss policy	(86)
- Depreciation on EPCG accounting	(11)
- Deferred tax on revaluation of land and building	33
Total	(2,049)
Other comprehensive income	-
Total comprehensive income/(loss) as per IND AS	(2,049)

- 4 During the quarter:
 - (a) the Company completed the acquisition of the entire equity shares held by the minority shareholders in its subsidiary, NewRise Healthcare Pvt. Ltd. and subsequently sold its 100% equity stake to Narayana Hrudayalaya Ltd. for an enterprise value of Rs.18,000 Lakh. The Company has incurred a loss of Rs.4,509 Lakh on such sale for which necessary provisions were already recorded in the preceding quarter ended March 31, 2017.
 - (b) the Company has entered into collaboration agreement for development, license, manufacturing, supply and sales of 7 complex generic pharmaceutical products with Bionpharma Inc., a generic pharmaceutical company based in USA.
- 5 Corporate Debt Restructuring: During financial year 2014-15, the Company was sanctioned a Corporate Debt Restructuring ("CDR") scheme under the CDR mechanism of the Reserve Bank of India ("RBI") after attaining super-majority from its lender banks. The debt obligations, including interest thereon, have been measured, classified and disclosed in these financial statements in accordance with the Master Restructuring Agreement (MRA) as per CDR scheme, to the extent agreed with the banks. Completion of certain other terms and conditions are in progress and the management is confident that it will be able to comply with all key conditions of the CDR scheme.
- 6 With respect to the observations of the auditors in their report on the above results:
 - (a) During the financial year 2007-08, the Company had given an advance of Rs. 1,768 lakh pursuant to the agreement with Ilyas & Mustafa Galadari Management Investment & Development (L.L.C.), U.A.E. ("Developer") for purchase of certain immovable properties in Dubai. The Developer failed to deliver the said properties to the Company and offered other properties under construction in lieu of the said properties. Owing to continuous delays in completion of construction, the Company has initiated legal recourse and issued a legal notice to the Developer. In view of on-going discussions with the Developer and on the basis of the legal advice obtained, the Company believes that it has valid rights to claim the recovery of the advance paid to the Developer, in the form of either a refund or other properties. The Company believes that the advance given to the Developer is fully realisable as the market value of the properties under discussion is more than the advance given under the original agreement. Accordingly, no adjustments are considered necessary in the books of accounts.

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- (b) During the financial year 2015-16, State Bank of Travancore ("SBT") and State Bank of Mysore ("SBM") had absolutely assigned all the rights, title and interests in financial assistances granted to the Company, with all the underlying rights, benefits and obligations in favor of Edelweiss Asset Reconstruction Company Limited ("EARC"). EARC restructured the SBT loan during the financial year 2015-16 and also provided 'in principle' approval for restructuring the SBM loan during the financial year 2016-17, which was acted upon by both parties. Pursuant to the said restructuring of the SBM loan, the Company has recorded Rs. 755 Lakh as an exceptional item, being the difference between the original loan amount and the restructured amount. Further, during financial year 2016-17, the Company has paid all its principal instalments and interests with respect to the said restructured loans on time except for the installment due in March 2017 that was delayed due to reasons beyond the Company's control. The aforesaid installment was subsequently paid in April 2017 alongwith necessary default interest. However, in April 2017, EARC has sought to revoke the restructuring of the loans assigned to it by SBT and SBM and has claimed to reinstate the dues as per the original outstanding to SBT and SBM. The Company has discussed the matter with EARC as well as made petitions with the CDR Empowered Group ("CDR EG") that the revocation sought by EARC is unjustified and is not in consonance with the CDR guidelines. The matter is currently under consideration at CDR EG. Further, the EARC had informed the total outstanding loan of Rs. 19,694 Lakh as on March 31, 2017, which in Company's view is inaccurate and misleading and therefore has been disputed by the Company. As per the Company, the outstanding amount of such loans as on March 31, 2017 is Rs. 12,272 Lakh including accrued interest thereon. Based on the management's internal evaluation, legal advice obtained and discussions in the meetings with CDR EG held on May 25, 2017 and August 31, 2017, the Company believes that outcome of the matter will be in Company's favour and accordingly no adjustments are considered necessary in the books of accounts.
- (c) In view of absence of profits during financial years 2013-14 and 2012-13, total remuneration paid to the Managing/Joint Managing and Whole time Directors had exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 by Rs. 291 lakh for the said years. Further, because of non-compliance to one of the conditions of part II Section II of Schedule V to the Companies Act, 2013, the remuneration amounting to Rs 26 lakh paid to a whole time director during the year ended March 31, 2016 and remuneration amounting to Rs. 430 lakh paid to six directors (Managing/Joint Managing and Whole time Directors) during the year ended March 31, 2017 required approval of the Central Government and the Company had filed the necessary applications in this regard. However, the Company's applications for approval of the aforesaid excess remuneration have not been approved by the Central Government and consequently the Company is required to recover the excess amount thus paid for the said years unless the recovery thereof is waived by the Central Government. The Company has also paid managerial remuneration amounting to Rs 80 lakh during the quarter ended June 30, 2017 for which the Company required prior approval of the Central Government. For a thorough reconsideration of the matter, the Company has preferred to submit new applications to the Central Government for waiver of recovery of excess remuneration paid in respect of aforesaid periods and is also in the process of completing the related procedural formalities. Pending the decision of the Central Government, the Company has recorded an amount of Rs. 827 lakh as recoverable from such directors towards such excess remuneration paid. Based on Management's assessment and legal advice obtained, the Company is confident of a favorable outcome for its applications.
- (d) For the quarter ended June 30, 2017, the Company has incurred a loss of Rs. 4,799 lakh (corresponding quarter of previous year loss of Rs. 2,049 lakh). The continuous losses have adversely affected the cash flows of the Company. These conditions, read with note 5 and 6(b) above, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company has undertaken several measures to mitigate this risk, which include supply to UNICEF/other customers of pentavalent vaccine; initiating supply of oral polio vaccine from Baddi facility, entering into strategic alliances with domestic as well as foreign collaborators for supply of products, launch of innovative new products, scaling up revenues of hexavalent vaccine EasySix™ (DTWP-HepB-Hib-IPV), expediting development of new products and monetization of non-core assets, etc. Based on above measures and continuous efforts to improve the business performance and as explained in note 5 and 6(b) above, the management believes that it would be able to generate sustainable cash flow, recover and recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and continue as a going concern.
- 7 During the current quarter, the promoters of the Company viz. Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain have entered into a Memorandum of Acknowledgement of Oral Family Settlement in which it has been agreed, subject to all applicable approvals from appropriate authorities, that its wholly owned subsidiary, Radhika Heights Limited ("RHL") will be demerged from the Company through a Scheme of Arrangement ("Scheme").
- 8 The necessary certificate/report in respect of the above results in terms of requirement of Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015, has been placed before the Board of Directors.
- 9 Previous period amounts have been regrouped/ reclassified in compliance with IndAS to make them comparable with those of current period/year.
- 10 The above results are also available on the Company's website <http://www.panaceabiotec.com>

Place: New Delhi
Date: September 13, 2017

Panacea Biotec Limited

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

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



For and on behalf of the Board

[Signature]
Dr. Rajesh Jain
Joint Managing Director

[Signature]

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

To the Board of Directors of Panacea Biotech Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of Panacea Biotech Limited ("the Company") for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2016, including the reconciliation of net loss under Ind AS of the corresponding quarter with loss reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to the following notes to the Statement:
 - a) Note 6(a) to the Statement regarding capital advances amounting to Rs. 1,768 lakhs given to a real estate developer for acquiring certain immovable properties in Dubai where the Company has initiated legal recourse.

Chartered Accountants

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



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

Walker Chandiok & Co LLP

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

- b) Note 6(b) to the Statement regarding the revocation of loan restructuring facility by one of the lender of the Company, which may result in reinstatement of the outstanding loan liability as per the original term of the loan agreement after adjusting the payments made till date.
- a) Note 6(c) to the Statement regarding payment of managerial remuneration for the quarter ended 30 June 2017 and financial years ended 31 March 2017, 2016, 2014 and 2013 respectively, which is in excess of the limits specified by the relevant provisions of the Companies Act, 2013 /the Companies Act, 1956 by Rs. 827 lakhs for the said years. The Company's applications to the Central Government seeking approval for payment of such excess remuneration have not been approved and consequently the Company is required to recover the excess amount thus paid for the said years. The Company has recorded an amount of Rs. 827 lakhs as recoverable from the directors towards such excess remuneration paid. Also, the Company is in the process of taking necessary steps/filing necessary applications with the Central Government in this regard.
- b) Note 6(d) to the Statement which indicates that the Company has incurred a net loss (before exceptional items) of Rs. 4,799 lakhs during the quarter ended 30 June 2017 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 22,661 lakhs. These conditions along with other matters as set forth in aforesaid note and (b) above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP

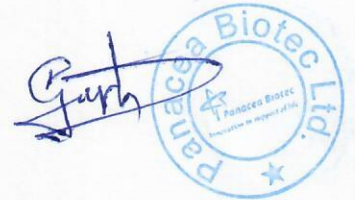
Chartered Accountants

Firm Registration No: 001076N/N500013

Ashish Gupta
per Ashish Gupta

Partner

Membership No. 504662



Place: New Delhi

Date: 13 September 2017