Panacea Biotec
Innovation in support of life

13th February, 2018

The Manager, Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Fax No.:022-26598237 / 38 NSE Symbol : PANACEABIO	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Fax No.:022-22721919, 3121 BSE Scrip Code: 531349

Reg.: i. Unaudited Financial Results (Provisional) for the quarter and nine months ended 31st December, 2017

ii. Limited Review Report for the quarter and nine months ended 31st December, 2017

Dear Sir,

In continuation to our letter dated 2nd February, 2018 and pursuant to Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015"), we would like to inform you that the Board of Directors of the Company has, at its meeting held today, i.e. 13th February, 2018, inter-alia, considered and approved the Unaudited Financial Results (Provisional) of the Company for the quarter and nine months ended 31st December, 2017. The same were also reviewed by the Audit Committee in its meeting held on 12th February, 2018.

A copy of the Statement of Unaudited Financial Results (Provisional) for the quarter and nine months ended 31st December, 2017, approved by the Board of Directors pursuant to SEBI Listing Regulations, 2015, is enclosed for your reference and record.

Further, we would also like to state that M/s Walker Chandiok & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company have carried out the limited review of the Unaudited Financial Results (Provisional) for the quarter and nine months ended 31st December, 2017. A copy of the said report is attached herewith for your records.

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

Further, pursuant to Regulation 47(1)(b) of SEBI Listing Regulations, 2015, the Extract of Statement of Unaudited Financial Results (Provisional) for the quarter and nine months ended 31st December, 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/-

Panacea Biotec Ltd.

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

The meeting of the Board of Directors commenced at 11:30 A.M. and concluded at 4:30 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

Encls: As above

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

(Rs. in Lakh except per share)

Panacea Biotec
Innovation in support of life

Extract of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2017

Particulars	Quarter ended			Nine Months ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Total income from operations	15,405	15,441	11,945	41,733	41,822
Net Profit / (Loss) from ordinary activities after tax	(971)	(563)	(2,542)	(6,332)	(5,086)
Net Profit / (Loss) for the period after tax (after extraordinary items)	(971)	(563)	(2,542)	(6,332)	(5,086)
Equity Share Capital (face value of Re.1 per share)	613	613	613	613	613
Earning per Share (before and after extraordinary items) of Re. 1 each (annualised, other than quarter and nine months)					
Basic :	(1.58)	(0.92)	(4.15)	(10.33)	(8.30)
Diluted:	(1.58)	(0.92)	(4.15)	(10.33)	(8.30)

Notes:

1. The above is an extract of the detailed format of Quarterly and Nine Months Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Nine Months 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 February 12, 2018 and February 13, 2018 respectively. Further, the limited review of Financial Results for the quarter and nine months ended December 31, 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 and nine months ended December 31, 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. The impact of transition has been accounted for in the retained earnings as at April 01, 2016 and the results for the quarter and nine months ended December 31, 2016 have been restated accordingly.
4. Previous period/ year amounts have been regrouped/ reclassified to make them comparable with those of current period/ year.

For and on behalf of the Board

Panacea Biotec Ltd. ★ New Delhi-110044 ★ Panacea Biotec Innovation in support of life

Place: New Delhi
Date: February 13, 2018

Dr. Rajesh Jain
Joint Managing Director

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

Dr. vile

Panacea Biotec

Innovation in support of life

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2017

(Rs. in Lakh)

S.No	Particulars	Quarter ended			Nine Months ended	
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I	**Income:**					
	a) Revenue from operations	15,216	15,257	10,541	41,237	37,229
	b) Other income	189	184	1,404	496	4,593
	Total Income	**15,405**	**15,441**	**11,945**	**41,733**	**41,822**
II	**Expenditure:**					
	a) Cost of raw and packing materials consumed	4,810	4,088	4,046	12,500	11,386
	b) Purchase of traded goods	681	513	589	1,636	1,806
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(479)	213	(1,903)	(321)	(2,020)
	d) Excise duty	-	-	316	337	922
	e) Employee benefit expenses	3,507	3,107	3,534	9,771	10,443
	f) Depreciation and amortisation expenses	1,449	1,442	1,655	4,330	4,998
	g) Finance cost	2,510	2,650	2,685	7,751	7,839
	h) Other expenditure (net)	3,666	3,649	3,921	11,320	12,603
	Total expenses	**16,144**	**15,662**	**14,843**	**47,324**	**47,977**
III	**Profit/(Loss) before exceptional and extra-ordinary items and tax (I-II)**	**(739)**	**(221)**	**(2,898)**	**(5,591)**	**(6,155)**
IV	Exceptional items	-	-	-	-	-
V	**Profit/(Loss) before Tax (III-IV)**	**(739)**	**(221)**	**(2,898)**	**(5,591)**	**(6,155)**
VI	**Tax expense:**					
	a) Current tax	232	262	-	741	-
	b) Deferred tax	-	80	(356)	-	(1,069)
	Total tax expenses	**232**	**342**	**(356)**	**741**	**(1,069)**
VII	**Net Profit/(Loss) for the period (V-VI)**	**(971)**	**(563)**	**(2,542)**	**(6,332)**	**(5,086)**
VIII	**Other comprehensive income/(loss) for the period**					
	Total other comprehensive income/(loss) (net of tax)	-	-	-	-	-
IX	**Total comprehensive income/(loss) for the period (VII+VIII)**	**(971)**	**(563)**	**(2,542)**	**(6,332)**	**(5,086)**
X	Paid-up equity share capital	613	613	613	613	613
XI	**Earning per share for the period (of Re. 1/- each),** (not annualised)					
	Basic (in Rs.)	(1.58)	(0.92)	(4.15)	(10.33)	(8.30)
	Diluted (in Rs.)	(1.58)	(0.92)	(4.15)	(10.33)	(8.30)

Panacea Biotec New Delhi-110044

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2017					
Unaudited Segment-wise Revenue, Results and Capital Employed					
					(Rs. in Lakh)
Particulars	**Quarter ended**			**Nine Months ended**	
	December 31, 2017	**September 30, 2017**	**December 31, 2016**	**December 31, 2017**	**December 31, 2016**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
a) Segment revenue					
(i) Vaccines	4,671	4,478	2,415	12,128	8,808
(ii) Formulations	9,756	10,691	7,963	28,149	28,103
(iii) Research & development	789	90	163	960	318
(iv) Unallocated	-	(2)	-	-	-
Sub total	15,216	15,257	10,541	41,237	37,229
Less: Inter segment revenue	-	-	-	-	-
Total segment revenue	**15,216**	**15,257**	**10,541**	**41,237**	**37,229**
b) Segment results					
Profit (+)/ loss (-) before tax and interest					
(a) Vaccines	478	108	(355)	(179)	(422)
(b) Formulations	2,914	4,522	2,618	8,896	9,227
(c) Research & development	(492)	(1,118)	(1,145)	(2,885)	(3,996)
Sub total	**2,900**	**3,512**	**1,118**	**5,832**	**4,809**
Less : i) Finance cost	2,510	2,650	2,685	7,751	7,839
ii) Other unallocated expenditure net of unallocated income	1,129	1,083	1,331	3,672	3,125
Total Profit/(loss) before tax	**(739)**	**(221)**	**(2,898)**	**(5,591)**	**(6,155)**
c) Capital employed					
Segment assets					
(i) Vaccines	52,948	50,341	60,348	52,948	60,348
(ii) Formulations	41,219	42,163	40,634	41,219	40,634
(iii) Research & development	21,101	21,124	21,201	21,101	21,201
(iv) Unallocated	52,767	52,178	55,853	52,767	55,853
Sub total	**168,035**	**165,806**	**178,036**	**168,035**	**178,036**
Segment liability					
(i) Vaccines	6,079	3,615	5,132	6,079	5,132
(ii) Formulations	16,561	16,288	15,353	16,561	15,353
(iii) Research & development	2,911	2,738	2,585	2,911	2,585
(iv) Unallocated	102,664	102,635	107,814	102,664	107,814
Sub Total	**128,215**	**125,276**	**130,884**	**128,215**	**130,884**
Capital employed (Segment assets - segment liabilities)					
(i) Vaccines	46,869	46,726	55,216	46,869	55,216
(ii) Formulations	24,658	25,875	25,281	24,658	25,281
(iii) Research & development	18,190	18,386	18,616	18,190	18,616
(iv) Unallocated	(49,897)	(50,457)	(51,961)	(49,897)	(51,961)
Total capital employed	**39,820**	**40,530**	**47,152**	**39,820**	**47,152**

Panacea Biotec Ltd. New Delhi-110044

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 February 12, 2018 and February 13, 2018 respectively. Further, the limited review of Financial Results for the quarter and nine months ended December 31, 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 from April 01, 2017 (transition date being April 1, 2016) and accordingly, the financial results for the quarter and nine months ended December 31, 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. The impact of transition has been accounted for in the retained earnings as at April 01, 2016 and the results for the quarter and nine months ended December 31, 2016 have been restated accordingly.

3 The revenue from operations for the period upto June 30, 2017 are reported inclusive of excise duty, in accordance with the requirement of IND-AS. Consequent to the implementation of provisions of the Goods and Service Tax ("GST") Act in India w.e.f. July 01, 2017, the revenue from operations for the quarter ended September 30, 2017 and December 31, 2017 are net of GST in compliance with the requirements of IND-AS. Accordingly, the revenue from operations for the quarter and nine months ended December 31, 2017 are not comparable with the amounts reported for the corresponding previous periods/ annual results.

4 Reconciliation of profit/ loss between IND-AS and Indian GAAP for the quarter and nine months ended December 31, 2016 as follows:

(Rs. In Lakh)

Particulars	For the Quarter ended December 31, 2016	For the Nine Months ended December 31, 2016
	Unaudited	Unaudited
Profit/(loss) as per previous GAAP	**(2,923)**	**(6,074)**
Adjustment on effective interest rates on borrowings	(53)	(156)
Adjustment of grant income	34	100
Impact of expected credit loss policy	55	7
Depreciation adjustment	(11)	(32)
Deferred tax impact	356	1,069
Total	**(2,542)**	**(5,086)**
Other Comprehensive Income	-	-
Total comprehensive income/(loss) as per IND AS	**(2,542)**	**(5,086)**

5 During the quarter under review:

a the Company has received the Certificate of GMP Compliance from State Services of Ukraine on Medicines and Drug Control with Manufacturing Authorization for 22 medicinal products, including 4 oncology products for a period valid till June 24, 2020;

b the Company has received final approval for its first-to-file ANDA of Prasugrel 5mg and 10mg tablets from United States Food and Drug Administration (USFDA) and launched this product in USA in collaboration with Apotex Inc. Under the provisions of Hatch-Waxman Act, the Company is entitled for 180 days of shared marketing exclusivity for this product in USA;

c the Company has signed an agreement with Technology Development Board (TDB), Government of India for financial assistance of Rs. 2,899 Lakh, from TDB for the "Development and Commercialization of Dengue Tetravalent Vaccine" (Live Attenuated, Recombinant, Lyophilized); and

d the Company's abbreviated new drug application (ANDA) submitted under section 505(j) of the Federal Food, Drug and Cosmetic Act (FD&C Act) for Paclitaxel Protein Bound Particles for injectable Suspension, 100mg/ vial has been accepted for filing by the U.S. Food and Drug Administration (FDA). This product is the generic version of Abraxane, marketed for the treatment of Metastatic Breast Cancer, Non-Small Cell Lung Cancer and Adenocarcinoma of the Pancreas in the US market.

6 During the current quarter, the Company has entered into the collaboration with signing of two long term agreements with Serum Institute of India Pvt. Ltd. ("SII") and SII's wholly owned subsidiary, Bilthovan Biologicals B.V. ("BBIO"). Under the collaboration, (i) SII will ensure supply of IPV bulk, an important constituent of the fully liquid Whole cell Pertussis (wP) and Salk based Injectable Polio Vaccine (IPV) based Hexavalent vaccine (DTwP-HepB-Hib-IPV) to Panacea Biotec from BBIO; (ii) SII is also entitled to manufacture & sell hexavalent vaccine; and (iii) in next 2 years the Company and SII will work together to get this Hexavalent Vaccine introduced in the National Immunization Program of Govt. of India and developing countries by working closely with key stakeholders including national governments, WHO, GAVI, Bill and Melinda Gates Foundation and other United Nation Agencies, etc.

7 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.

Panacea Biotec Ltd. New Delhi-110044

8	In the current quarter, with a view to restructure the Company's debt obligations and reduce its interest outlay, the board of directors have approved the assignment of receivables amounting to Rs1,768 lakhs due from Ilyas & Mustafa Galadari Management Investment & Development (L.L.C.), U.A.E. to its wholly owned subsidiary company viz. Radhika Heights Ltd. (RHL) in lieu of adjustment of a part of RHL's loan payable by the Company, subject to the applicable provisions of the Foreign Exchange Management Act, 1999, as amended and other applicable laws, if any.
9	With respect to the observations of the auditors in their report on the above results:
(a)	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. Further, during financial year 2016-17, the Company has paid all its principal installments 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 along with 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 restate 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. 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, in view of the restructuring and assignment, the outstanding amount of such loans as on March 31, 2017 was Rs. 12,272 Lakh including accrued interest thereon. The CDR EG has in its meeting held on August 31, 2017 directed EARC to cancel the revocation of the restructuring and continue with the already agreed scheme. Based on the management's internal evaluation, legal advice obtained and the CDR EG's directives, 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.
(b)	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 erstwhile Companies Act, 1956 by Rs. 291 lakhs 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 lakhs paid to a Whole time Director during the year ended March 31, 2016 and remuneration amounting to Rs. 430 lakhs 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 was 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. 321 lakhs during the nine months ended December 31, 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. 1,068 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.
(c)	For the nine months ended December 31, 2017, the Company has incurred a loss of Rs. 6,332 lakh (corresponding nine months of the previous year loss Rs. 5,086 lakh). The continuous losses have adversely affected the cash flows of the Company. These conditions, read with note 7 and 9(a) above, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company has undertaken several measures to mitigate this risk, which include 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 EasySixTM (DTwP-HepB-Hib-IPV), launch of new products in USA/ EU, etc., expediting development of new products and monetization of non-core assets, raising of funds, etc. Based on above measures and continuous efforts to improve the business performance and as explained in note 7 and 9(a) above, the management believes that it would be able to generate sustainable cash flow, recover and recoup the erosion in its net worth through profitable operations, discharge its obligations as they fall due and continue as a going concern.
10	The necessary certificate/ report in respect of the above results in terms of requirement of Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015, has been placed before the Board of Directors.
11	Previous period amounts have been regrouped/ reclassified in compliance with IND-AS to make them comparable with those of current period/ year.
12	The above results are also available on the Company's website http://www.panaceabiotec.com

Panacea Biotec Ltd. New Delhi-110

For and on behalf of the Board

Dr. Rajesh Jain
Joint Managing Director

Place: New Delhi
Date: February 13, 2018

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram 122002
India

T +91 124 462 8000
F +91 124 462 8001

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

To the Board of Directors of Panacea Biotec Limited

1. We have reviewed the accompanying statement of unaudited financial results ('Statement') of Panacea Biotec Limited ('the Company') for the quarter ended 31 December 2017 and the year to date results for the period 1 April 2017 to 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Panacea Biotec Ltd.

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)

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

   a) Note 9(a) 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.

   b) Note 9(b) to the Statement regarding payment of managerial remuneration for the nine months ended 31 December 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. 1,068 lakhs for the said years. The Company's applications to the Central Government seeking approval for payment of such excess remuneration have not been approved and consequently the Company is required to recover the excess amount thus paid for the said years. The Company has recorded an amount of Rs. 1,068 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.

   c) Note 9(c) to the Statement which indicates that the Company has incurred a net loss (before exceptional items) of Rs. 971 lakhs and Rs. 6,332 lakhs during the quarter and nine months ended 31 December 2017 respectively and as of that date, the Company's current liabilities exceeded its current assets by Rs. 27,597 lakhs. These conditions along with other matters as set forth in note 7 of the Statement and (a) above indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

Walker Chandiok & Co LLP

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

per Anupam Kumar
Partner
Membership No. 501531

CHANDIOK & CO LLP * WALKER * CHARTERED ACCOUNTANTS

Panacea Biotec Ltd.

Place: Lucknow
Date: 13 February 2018