

(Rs. in Lakhs except per share)



**Extract of Standalone Unaudited Financial Results
for the Quarter and Half year ended September 30, 2017**

Particulars	Quarter ended			Half Year ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Total income from operations	15,441	16,171	10,887	26,328	29,878
Net Profit / (Loss) from ordinary activities after tax	(563)	(495)	(4,799)	(5,362)	(2,544)
Net Profit / (Loss) for the period after tax (after Extraordinary items)	(563)	(495)	(4,799)	(5,362)	(2,544)
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)					
Basic :	(0.92)	(0.81)	(7.84)	(8.75)	(4.15)
Diluted:	(0.92)	(0.81)	(7.84)	(8.75)	(4.15)

Notes:

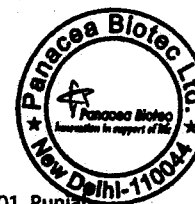
- The above is an extract of the detailed format of Quarterly and Half Yearly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Half Yearly Financial Results 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>.
- 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 November 13, 2017 and November 14, 2017 respectively. Further, the limited review of Financial Results for the Quarter and Half Year ended September 30, 2017, in terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, has been carried out by the statutory auditors.
- The Company has adopted Indian Accounting Standards ("IND-AS") effective April 1, 2017 (transition date being April 1, 2016). Accordingly, the financial results for the Quarter and Half Year ended September 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 and Half Year ended September 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 and position provide a true and fair view of its affairs.
- Previous period / year amounts have been regrouped/ reclassified to make them comparable with those of current period/year.

Place: New Delhi

Date: November 14, 2017

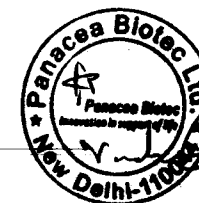
Panacea Biotec Limited

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

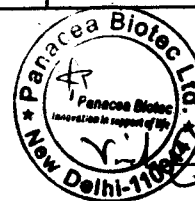
Sandeep Jain
Joint Managing Director



**Statement of Standalone Unaudited Financial Results
for the Quarter and Half Year ended September 30, 2017**

(Rs. in Lakhs)

S.No	Particulars	Quarter ended			Half Year ended	
		September 30, 2017	September 30, 2016	June 30, 2017	September 30, 2017	September 30, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
I	Income:					
	a) Revenue from operations	15,257	14,137	10,764	26,021	26,688
	b) Other income	184	2,034	123	307	3,190
	Total Income	15,441	16,171	10,887	26,328	29,878
II	Expenditure:					
	a) Cost of raw and packing materials consumed	4,088	3,461	3,602	7,690	7,340
	b) Purchase of traded goods	513	710	442	956	1,217
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	213	459	(54)	158	(117)
	d) Excise duty	-	422	337	337	606
	e) Employee benefit expenses	3,107	3,555	3,157	6,264	6,909
	f) Depreciation and amortisation expenses	1,442	1,671	1,439	2,881	3,343
	g) Finance cost	2,650	2,603	2,591	5,241	5,155
	h) Other expenditure (net)	3,649	4,465	4,005	7,654	8,682
	Total expenses	15,662	17,346	15,519	31,181	33,135
III	Profit/(Loss) before exceptional and extra-ordinary items and tax (I-II)	(221)	(1,175)	(4,632)	(4,853)	(3,257)
IV	Exceptional items	-	-	-	-	-
V	Profit/(Loss) before Tax (III-IV)	(221)	(1,175)	(4,632)	(4,853)	(3,257)
VI	Tax expense:					
	a) Current tax	262	-	247	509	-
	b) Deferred tax	80	(680)	(80)	-	(713)
	Total tax expenses	342	(680)	167	509	(713)
VII	Net Profit/(Loss) for the period (V-VI)	(563)	(495)	(4,799)	(5,362)	(2,544)
VIII	Other comprehensive income					
	Total other comprehensive (loss)/income (net of tax)	-	-	-	-	-
IX	Total comprehensive income for the period (VII+VIII)	(563)	(495)	(4,799)	(5,362)	(2,544)
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.)	(0.92)	(0.81)	(7.8)	(8.8)	(4.15)
	Diluted (in Rs.)	(0.92)	(0.81)	(7.8)	(8.8)	(4.15)



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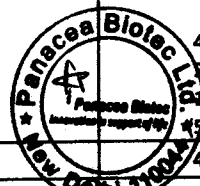
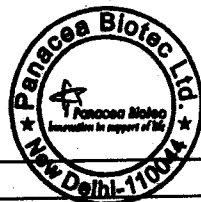
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Statement of Standalone Unaudited Financial Results for the Quarter and Half Year ended September 30, 2017

Unaudited Segment-wise Revenue, Results and Capital Employed

(Rs. in Lakhs)

Particulars	Quarter ended			Half Year ended	
	September 30, 2017	September 30, 2016	June 30, 2017	September 30, 2017	September 30, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
a) Segment revenue					
(i) Vaccines	4,478	3,260	2,979	7,457	6,393
(ii) Formulations	10,691	10,762	7,702	18,393	20,140
(iii) Research & development	90	115	81	171	155
(iv) Unallocated	(2)	-	2	-	-
Sub total	15,257	14,137	10,764	26,021	26,688
Less: Inter segment revenue	-	-	-	-	-
Total segment revenue	15,257	14,137	10,764	26,021	26,688
b) Segment results					
Profit (+)/ loss (-) before tax and interest					
(a) Vaccines	108	(453)	(765)	(657)	(67)
(b) Formulations	4,522	3,864	1,460	5,982	6,609
(c) Research & development	(1,118)	(1,642)	(1,275)	(2,393)	(2,851)
Sub total	3,512	1,769	(580)	2,932	3,691
Less : i) Finance cost	2,650	2,602	2,591	5,241	5,154
ii) Other unallocated expenditure net of unallocated income	1,083	342	1,461	2,544	1,794
Total Profit before tax	(221)	(1,175)	(4,632)	(4,853)	(3,257)
c) Capital employed					
Segment assets					
(i) Vaccines	50,341	58,576	50,935	50,341	58,576
(ii) Formulations	42,163	41,645	40,672	42,163	41,645
(iii) Research & development	21,124	21,779	21,589	21,124	21,779
(iv) Unallocated	52,178	56,276	50,519	52,178	56,276
Sub total	165,806	178,276	163,715	165,806	178,276
Segment liability					
(i) Vaccines	3,615	3,864	3,824	3,615	3,864
(ii) Formulations	16,288	15,044	15,742	16,288	15,044
(iii) Research & development	2,738	2,490	2,866	2,738	2,490
(iv) Unallocated	102,635	107,202	100,268	102,635	107,202
Sub Total	125,276	128,600	122,700	125,276	128,600
Capital employed (Segment assets - segment liabilities)					
(i) Vaccines	46,726	54,712	47,111	46,726	54,712
(ii) Formulations	25,875	26,601	24,930	25,875	26,601
(iii) Research & development	18,386	19,289	18,723	18,386	19,289
(iv) Unallocated	(40,457)	(50,926)	(49,749)	(50,457)	(50,926)
Total capital employed	40,530	49,676	41,015	40,530	49,676



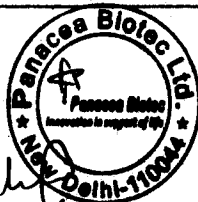
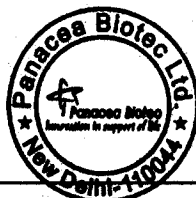
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S. J. Singh

Gupta

Statement of Assets and Liabilities

Particulars	As at September 30, 2017
	Unaudited
ASSETS	
(1) Non-current assets	
a) Property, Plant and Equipment	91,325
b) Capital work in progress	289
c) Investment Property	-
d) Other Intangible assets	505
e) Intangible assets under development	2,761
f) Financial Assets	
i) Investment	34,488
ii) Loans	117
iii) Others financial asset	-
g) Deferred tax asset (Net)	2,678
h) Non Current tax asset	115
i) Other non current assets	2,396
	134,674
(2) Current assets	
a) Inventories	13,631
b) Financial Assets	
i) Investments	-
ii) Trade receivables	11,233
iii) Cash and cash equivalents	756
iv) Bank balance other than above	702
v) Loans	1,282
vi) Others financial assets	556
c) Other current assets	2,972
	31,132
Total Assets	165,806
EQUITY AND LIABILITIES	
Equity	
a) Equity Share Capital	613
b) Other Equity	39,917
	40,530
LIABILITIES	
(1) Non-current liabilities	
a) Financial Liabilities	
i) Borrowings	58,699
b) Provisions	2,036
c) Deferred tax liabilities (Net)	-
d) Other non-current liabilities	480
(2) Current liabilities	
a) Financial Liabilities	
i) Borrowings	20,271
ii) Trade payables	20,584
iii) Other financial liabilities	21,838
(b) Other current liabilities	1,223
(c) Provisions	145
	125,276
Total Equity and Liabilities	165,806



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Notes:

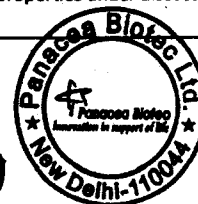
- 1 The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on November 13, 2017 and November 14, 2017 respectively. Further, the limited review of Financial Results for the Quarter and Half Year ended September 30, 2017, 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 and Half Year ended September 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 and Half Year ended September 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 and position provide a true and fair view of its affairs.
- 3 The revenue from operations for the periods upto June 30, 2017 are reported inclusive of excise duty, in accordance with the requirement of IND-AS. Consequent to the implementation of Goods and Service Tax ("GST") in India w.e.f. July 01, 2017, the revenue from operations for the Quarter ended September 30, 2017 are net of GST in compliance with the requirement of IND-AS. Accordingly, the revenue from operations for the Quarter and Half Year ended September 30, 2017 are not comparable with the amounts reported for the immediately preceding quarter and the corresponding previous periods.

- 4 Reconciliation of Profit between IND-AS and Indian GAAP for the Quarter and Half Year ended September 30, 2016 as follows:

Particulars	For the Half Year ended September 30, 2016	For the Quarter ended September 30, 2016
Profit/(loss) as per previous GAAP	(3,152)	(1,185)
Adjustment on effective interest rates on borrowings	(103)	(52)
Adjustment of grant income	67	33
Impact of expected credit loss policy	(48)	39
Depreciation adjustment	(22)	(11)
Deferred tax impact	713	680
Total	(2,544)	(495)
Other Comprehensive Income	-	-
Total comprehensive income/(loss) as per IND AS	(2,544)	(495)

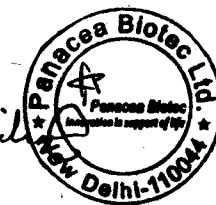
- 5(a) During the quarter under review, the Company has expanded its existing collaboration with Bionpharma Inc., USA, by entering into an agreement for development, license, manufacturing, supply and sales of additional 7 complex generic pharmaceutical products in USA.
- 5(b) During the current quarter, 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.
- 5(c) During the current quarter, 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.
- 6 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.
- 7 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. 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 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 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. 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. 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 directions, 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. 214 lakh during the Half Year ended September 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. 961 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 Half Year ended September 30, 2017, the Company has incurred a loss of Rs. 5,362 lakh (corresponding Half Year of previous year loss of Rs. 2,544 lakh). The continuous losses have adversely affected the cash flows of the Company. These conditions, read with note 6 and 7(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), 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 6 and 7(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.
- 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 IND AS to make them comparable with those of current period.
- 10 The above results are also available on the Company's website <http://www.panacea-biotec.com>

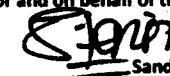
Place: New Delhi
Date: September 14, 2017

Panacea Biotec Limited

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For and on behalf of the Board


Sandeep Jain
Joint Managing Director

