

May 12, 2017

To All Stockists of Panacea Biotec Ltd.

Subject: Patient First

As you are all well aware that the Government of India has passed the Goods and Service Tax (GST) Acts and as per the current understanding, GST is expected to be implemented with effect from July 01, 2017.

The GST Council is yet to decide the tax rates for the pharmaceutical products. As per the available information, a meeting of GST council is proposed in the third week of May 2017 for deciding the tax rates on products.

In absence of any clarity, at present, on the tax rates under GST Act on the pharmaceutical products, it is anticipated that the current pricing structure may have to be changed to accommodate the changes in tax structure pursuant to the tax rates as may be finalized by the GST Council in its forthcoming meeting.

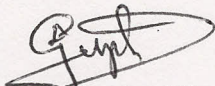
In case any loss is suffered by any of our stockist/chemists, which is solely due to change in the tax structures and the input credit available under the GST Act, on the closing inventory as on June 30, 2017 of the Company lying with such stockist/chemist, then the Company assures that it will reimburse such loss to such stockist/chemist.

This is being done to ensure that our stockists and chemists do not suffer any loss, due to implementation of the GST Act, on the closing inventory of the Company held on June 30, 2017 by them and patients are assured of continued access of medicines being prescribed by the Doctors.

We therefore request all our Stockists and chemists to maintain normal level of inventories at their end to ensure adequate availability of our brands to the patients.

Yours Truly

For Panacea Biotec Ltd.



Authorised Signatory.

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