

**Audited Financial Results
for the Financial Year ended 31st March, 2011**

(Rs. in Lacs)

Particulars	Standaone Quarter Ended		Standaone Year Ended		Consolidated Year Ended	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1. (a) Net Turnover / Income from Operations	33,993	31,325	113,046	88,437	114,342	90,015
(b) Other Operating Income	500	1,542	2,193	2,540	2,702	2,543
Total Income	34,493	32,867	115,239	90,977	117,044	92,558
2. Expenditure						
a. (Increase)/decrease in stock in trade and work in progress	5,701	2,805	5,887	(5,148)	5,880	(5,014)
b. Consumption of materials	11,107	16,620	44,576	50,149	44,580	50,156
c. Purchase of traded goods	417	331	2,444	1,801	2,735	2,058
d. Manufacturing & Administrative expenditure	3,168	2,431	10,793	8,639	11,088	8,984
e. Research & Development expenditure	1,561	1,897	5,946	5,771	5,946	5,771
f. Employees cost	4,080	2,440	12,939	9,902	13,589	10,361
g. Depreciation	1,902	1,779	7,311	6,645	7,453	6,755
h. Other expenditure	1,752	1,305	5,935	4,392	6,564	5,184
i. Total	29,688	29,608	95,831	82,151	97,835	84,255
3. Profit from Operations before other income, Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional items (1-2i)	4,805	3,259	19,408	8,826	19,209	8,303
4. Other Income	457	174	1,312	537	1,013	467
5. Profit before Interest, Foreign Exchange Fluctuation Gain / (Loss) & Exceptional Items (3+4)	5,262	3,433	20,720	9,363	20,222	8,770
6. Interest	1,527	989	4,780	3,827	4,729	3,847
7. Exchange Fluctuation (Gain) / Loss	185	(5,279)	391	(6,272)	56	(6,353)
8. Profit after Interest but before Exceptional Items (5-6-7)	3,550	7,723	15,549	11,808	15,437	11,276
9. Exceptional items	-	-	-	-	-	-
10. Profit / (Loss) from Ordinary Activities before tax (8-9)	3,550	7,723	15,549	11,808	15,437	11,276
11. Tax expenses	(753)	1,971	2,044	3,806	2,189	4,036
12. Net Profit / (Loss) from Ordinary Activities after tax (10-11)	4,303	5,752	13,505	8,002	13,248	7,240
13. Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14. Net Profit / (Loss) for the period (12-13)	4,303	5,752	13,505	8,002	13,248	7,240
15. Paid up equity share capital (face value of Re.1 per share)	613	668	613	668	613	668
16. Reserves excluding Revaluation Reserves	-	-	63,068	68,982	64,271	68,615
17. Earning Per Share (EPS) - Basic	6.95	8.61	21.35	11.98	22.98	10.84
- Diluted	7.91	8.07	21.35	11.22	22.98	10.15
18. Public shareholding						
- No. of shares	15,364,465	20,904,912	15,364,465	20,904,912	15,364,465	20,904,912
- Percentage of shareholding	25.08	31.27	25.08	31.27	25.08	31.27
19. Promoters and promoter group Shareholding						
a) Pledge / Encumbered						
- Number of Shares	38,000	38,000	38,000	38,000	38,000	38,000
- % of Shares (as a % of the total shareholding of promoter & promoter group)	0.08	0.08	0.08	0.08	0.08	0.08
- % of Shares (as a % of the total Share Capital of the Company)	0.06	0.06	0.06	0.06	0.06	0.06
b) Non-encumbered						
- Number of Shares	45,848,281	45,899,834	45,848,281	45,899,834	45,848,281	45,899,834
- % of Shares (as a % of the total shareholding of promoter & promoter group)	99.92	99.92	99.92	99.92	99.92	99.92
- % of Shares (as a % of the total Share Capital of the Company)	74.86	68.67	74.86	68.67	74.86	68.67

Audited Segment-wise Revenue, Results and Capital Employed

(Rs. in Lacs)

Particulars	Standaone Quarter Ended		Standaone Year Ended		Consolidated Year Ended	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue						
(a) Vaccines	27,736	26,023	83,787	65,296	85,083	66,874
(b) Formulations	6,504	5,916	30,073	24,173	30,073	24,173
(c) Research & Development	(0)	1	-	10	-	10
(d) Health Management	-	-	-	-	-	-
(e) Real Estate	-	-	-	-	-	-
(f) Unallocated	253	927	1,379	1,498	1,888	1,501
Gross Sale/Income from Operation	34,493	32,867	115,239	90,977	117,044	92,558
Less : Inter Segment Revenue	-	-	-	-	-	-
Net Sales/Income from Operations	34,493	32,867	115,239	90,977	117,044	92,558
2. Segment Results Profit (+) before tax and interest from each segment						
(a) Vaccines	10,072	5,437	29,512	17,766	29,605	17,975
(b) Formulations	124	515	5,711	4,173	5,711	4,173
(c) Research & Development	(1,971)	(2,364)	(7,531)	(7,521)	(7,531)	(7,521)
(d) Health Management	-	-	-	-	(1)	(1)
(e) Real Estate	-	-	-	-	(111)	(49)
(f) Unallocated	-	-	-	-	-	-
Total	8,225	3,588	27,692	14,418	27,673	14,577
Less : i) Interest	1,527	989	4,780	3,827	4,729	3,847
ii) Other Un-allocated Expenditure net off Un-allocated income.	3,148	(5,124)	7,363	(1,217)	7,507	(546)
Total Profit Before Tax	3,550	7,723	15,549	11,808	15,437	11,276
3. Capital Employed (Segment assets-Segment Liabilities)						
(a) Vaccines	79,443	72,029	79,443	72,029	57,344	72,034
(b) Formulations	17,641	16,635	17,641	16,635	17,641	16,635
(c) Research & Development	21,248	19,008	21,248	19,008	21,248	19,008
(d) Health Management	-	-	-	-	2,865	1,764
(e) Real Estate	-	-	-	-	18,691	9,303
(f) Unallocated	(54,654)	(38,040)	(54,654)	(38,040)	(52,905)	(48,691)
Total Capital Employed	63,678	69,632	63,678	69,632	64,884	70,053

Statement of Assets & Liabilities

(Rs. in Lacs)

Particulars	Standaone Year Ended		Consolidated Year Ended	
	31.03.11	31.03.10	31.03.11	31.03.10
	(Audited)	(Audited)	(Audited)	(Audited)
1. Shareholders' Funds				
a) Share Capital	613	668	613	668
b) Reserves & Surplus	63,068	68,984	64,274	69,405
	63,681	69,652	64,887	70,073
2. Minority Interest	-	-	640	484
3. Loan Funds	88,368	70,544	86,518	70,544
4. Deferred Tax Liability (net)	7,566	7,089	7,582	7,101
5. Foreign Currency Monetary Item Translation Difference Account	-	168	-	168
Total	159,615	147,453	159,627	148,370
6. Fixed Assets	67,082	69,466	82,209	86,338
7. Investments	23,294	22,585	5,667	7,269
8. Current Assets, Loans & Advances:				
a) Inventories	36,802	45,551	41,063	45,768
b) Sundry Debtors	27,884	10,941	27,557	10,759
c) Cash & Bank Balances	3,947	3,633	5,224	4,704
d) Other Current Assets	800	722	749	312
e) Loans & Advances	11,967	13,191	10,913	13,407
	81,400	74,038	85,506	74,950
Less: Current Liabilities and Provisions				
a) Liabilities	10,617	13,821	12,147	15,323
b) Provisions	1,547	4,835	1,611	4,884
	12,164	18,656	13,758	20,207
Net Current Assets	69,236	55,382	71,748	54,743
9. Misc Expenditure (to the extent not written off)	3	20	3	20
Total	159,615	147,453	159,627	148,370

New Delhi
May 13, 2011

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

<http://www.panacea-biotec.com>

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 12th May, 2011 and 13th May, 2011, respectively.
- 2 Tax expense includes provision for income tax and deferred tax.
- 3 The Board of Directors has recommended Equity dividend @ Re.0.75 per Share (75%) for the financial year 2010-11, aggregating Rs.459 Lac, excluding dividend distribution tax.
- 4 During the quarter, the Company has launched three new products namely **PacliALL** (indigenously developed Albumin bound Paclitaxel particles formulation, a chemotherapeutic agent for the treatment of Breast Cancer), **EXEROZ-F** (for Low Density Lipoprotein & Triglycerides) and **EVERGRAF** (for Immunosuppression, Renal Function & Graft Thrombosis).
- 5 During the quarter, the Company has entered into an agreement with Laboratorios Clausen, Uruguay for grant of non-exclusive marketing rights of the Company's medicine "Tacrolimus (Pangraph) for few markets in Europe.
- 6 During the quarter, the balance outstanding Tranche 2 FCCBs (Foreign Currency Convertible Bonds) with nominal value of US\$ 36.8 million which were due for redemption 14th February 2011, have been redeemed in full at 142.80% of their outstanding principal amount.
- 7 The Company has invested an amount of Rs. 212 Lac towards payment of call money during quarter ended March 31,2011 in respect of partly paid shares held in its Indian subsidiary, NewRise Healthcare Pvt. Limited (Formerly known as Umkal Medical Institute Pvt. Ltd.)
- 8 During the quarter, the Company's WOS viz. Best On Health Limited has acquired 100% stake in Sugandh Agri Development Pvt. Ltd. by investing Rs.1 Lac whose name has later been changed to Nirmala Organic Farms & Resorts Private Limited w.e.f 21st March, 2011.
- 9 As regards the Auditors' observations in their report on the Audited Accounts for the Financial Year 2010-11:
 - i) With regard to capitalization of expenditure on clinical trials for the purpose of registration of Company's products outside India primarily in US or Europe, the management believes that these products would be commercially viable and there is no reason to believe that there is any uncertainty that may lead to not securing registration for the products from the regulatory authorities. An amount of Rs.485 Lacs and Rs.672 lacs towards the above said expenditure on clinical trials during the quarter and year ended March 31, 2011, respectively, has also been capitalized on similar grounds. The total amount of such capitalization up to March 31, 2011 is Rs.5,964 Lacs.
 - ii) With regard to payment of managerial remuneration of Rs.382 Lacs during Financial Year 2008-09, in excess of limits prescribed under Section 198 and 309 read with Part II of Schedule XIII of the Companies, Act, 1956, without obtaining Central Government approval, the Company sought approval of the Central Government for such remuneration. While the approvals to the extent of Rs.291 Lacs of excess remuneration have already been received, the requisite approvals for waiver of balance amount of excess remuneration of Rs.91 Lacs are awaited.
- 10 The Consolidated Financial Results have been prepared by consolidating the Company's Audited Annual Accounts for the financial year 2010-11 with the Audited Annual Accounts for the fiscal period ended 31st March, 2011 of its subsidiaries, Best On Health Ltd., Radicura & Co. Ltd., Panacea Education Institute Pvt. Ltd., Panacea Hospitality Services Pvt. Ltd., Sunanda Steel Company Ltd., Best on Health Foods Limited, Nirmala Organic Farms and Resorts Pvt. Ltd. (Formerly known as Sugandh Agri Development Pvt. Ltd.), NewRise Healthcare Pvt. Ltd. (Formerly known as Umkal Medical Institute Pvt. Ltd.), Panacea Biotec FZE, Rees Investments Limited, Kelisia Holdings Limited, Kelisia Investment Holdings AG, Panacea Biotec (International) SA, Panacea Biotec (Europe) AG, Panacea Biotec GmbH and Panacea Biotec Germany GmbH ; Joint Venture Company, Chiron Panacea Vaccines Pvt. Ltd.; Associate Companies, PanEra Biotec Pvt. Ltd. and Lakshmi & Manager Holdings Limited; and Indirect Associate Company Best General Insurance Company Ltd. Further, the Company's WOS Panacea Biotec Inc. has been wound up during the current quarter and hence not considered for the purpose of Consolidated Financial Results.
- 11 Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [0]; Received [3]; Disposed [1]; Closing [2]. The same have been subsequently disposed off.
- 12 The necessary Certificate in respect of above Results in terms of requirement of clause 41 of the Listing Agreement, has been placed before the Board of Directors.
- 13 The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.
- 14 The above results are also available on the Company's website viz. <http://www.panacea-biotec.com>

For and on behalf of the Board

**New Delhi
May 13, 2011**

**Dr. Rajesh Jain
Joint Managing Director**

Panacea Biotec Limited

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