Panacea Biotec
Innovation in support of life

Audited Financial Results for the Financial Year ended 31st March, 2010

(Rs. in Lacs)

Particulars	For Quarter ended		For Year ended		Consolidated For Year Ended	
	31.03.10	31.03.09	**31.03.10**	31.03.09	**31.03.10**	31.03.09
	(Unaudited)	(Unaudited)	**(Audited)**	(Audited)	**(Audited)**	(Audited)
1. (a) Net Turnover / Income from Operations	31,325	22,763	88,437	77,342	90,015	78,817
(b) Other Operating Income	1,542	59	2,540	720	2,543	722
Total Income	**32,867**	**22,822**	**90,977**	**78,062**	**92,558**	**79,539**
2. Expenditure						
a. (Increase)/decrease in stock in trade and work in progress	2,805	(2,382)	(5,148)	(4,469)	(5,014)	(4,526)
b. Consumption of materials	16,620	9,212	50,149	29,520	50,156	29,525
c. Purchase of traded goods	331	261	1,801	1,559	2,058	1,864
d. Manufacturing & Aministrative Exp.	2,431	2,165	8,639	8,062	8,984	8,356
e. Employees cost	2,440	2,265	9,902	9,161	10,361	9,568
f. Depreciation	1,779	2,635	6,645	7,051	6,755	7,250
g. Other expenditure	3,202	4,637	10,163	14,732	10,955	15,111
h. Total	**29,608**	**18,793**	**82,151**	**65,616**	**84,255**	**67,148**
3.Profit from Operations before other income, Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional items (1-2h)	**3,259**	**4,029**	**8,826**	**12,446**	**8,303**	**12,391**
4. Other Income	174	339	537	1,877	467	2,398
5. Profit before Interest, Foreign Exchange Fluctuation Gain / (Loss)& Exceptional Items (3+4)	**3,433**	**4,368**	**9,363**	**14,323**	**8,770**	**14,789**
6. Interest	989	1,048	3,827	3,211	3,847	3,215
7. Exchange Fluctuation Gain / (Loss)	5,279	(9,097)	6,272	(17,507)	6,353	(17,507)
8. Profit after Interest but before Exceptional Items (5-6+7)	**7,723**	**(5,777)**	**11,808**	**(6,395)**	**11,277**	**(5,933)**
9. Exceptional items	-	2,842	-	2,842	-	2,842
10. Profit / (Loss) from Ordinary Activities before tax (8-9)	**7,723**	**(8,619)**	**11,808**	**(9,237)**	**11,277**	**(8,775)**
11.Tax expenses	1,971	(4,602)	3,806	(2,332)	4,036	(2,068)
12. Net Profit / (Loss) from Ordinary Activities after tax (10-11)	**5,752**	**(4,017)**	**8,002**	**(6,905)**	**7,241**	**(6,707)**
13. Extraordinary items (net of tax expenses)	-	-	-	-	-	
14. Net Profit / (Loss) for the period (12-13)	**5,752**	**(4,017)**	**8,002**	**(6,905)**	**7,241**	**(6,707)**
15. Paid up equity share capital (face value of Re.1 per share)	668	668	668	668	668	668
16.Reserves excluding Revaluation Reserves			68,982	60,847	68,615	61,440
17.Earning Per Share (EPS) - Basic	8.61	(6.02)	11.98	(10.35)	10.84	(10.06)
- Diluted	8.07	(6.02)	11.22	(10.35)	10.15	(10.06)
18. Debt Equity Ratio			0.70	0.90		
19. Debt Service Coverage Ratio			5.71	7.20		
20. Interest Coverage Ratio			5.86	7.60		
21. Public shareholding						
- No. of shares	20,904,912	21,391,047	20,904,912	21,391,047	20,904,912	21,391,047
- Percentage of shareholding	31.27	32.00	31.27	32.00	31.27	32.00
22. Promoters and promoter group Shareholding						
a) Pledge / Encumbered						
- Number of Shares	38,000	Nil	38,000	Nil	38,000	Nil
- % of Shares (as a % of the total shareholding of promoter & promoter group)	0.08	N.A.	0.08	N.A.	0.08	N.A.
- % of Shares (as a % of the total Share Capital of the Company)	0.06	N.A.	0.06	N.A.	0.06	N.A.
b) Non-encumbered						
- Number of Shares	45,899,834	45,451,699	45,899,834	45,451,699	45,899,834	45,451,699
- % of Shares (as a % of the total shareholding of promoter & promoter group)	**99.92**	**100**	**99.92**	**100**	99.92	100
- % of Shares (as a % of the total Share Capital of the Company)	**68.67**	**68.00**	**68.67**	**68.00**	68.67	68.00

Audited Segment-wise Revenue , Results, and Capital Employed

Particulars	For Quarter ended		For Year ended		Consolidated For Year Ended	
	31.03.10	31.03.09	**31.03.10**	31.03.09	**31.03.10**	31.03.09
	(Unaudited)	(Unaudited)	**(Audited)**	(Audited)	**(Audited)**	(Audited)
1. Segment Revenue						
(a) Vaccines	26,023	17,571	65,296	54,761	66,874	56,237
(b) Formulations	5,916	5,151	24,173	22,873	24,173	22,873
(c) Research & Development	1	-	10	17	10	17
(d) Health Management	-	-	-	-	-	
(e) Unallocated	927	100	1,498	411	1,501	412
Gross Sale/Income from Operation	**32,867**	**22,822**	**90,977**	**78,062**	**92,558**	**79,539**
Less : Inter Segment Revenue	-	-	-	-	-	-
Net Sales/Income from Operations	**32,867**	**22,822**	**90,977**	**78,062**	**92,558**	**79,539**
2.Segment Results Profit (+) before tax and interest from each segment						
(a) Vaccines	5,437	9,007	17,766	26,618	17,975	26,897
(b) Formulations	515	423	4,173	4,669	4,173	4,669
(c) Research & Development	(2,364)	(2,035)	(7,521)	(6,682)	(7,521)	(6,682)
(d) Health Management	-	-	-	-	(50)	(165)
(e) Unallocated	-	-	-	-	-	-
Total	**3,588**	**7,395**	**14,418**	**24,605**	**14,577**	**24,719**
Less : i) Interest	989	1,049	3,827	3,211	3,847	3,215
ii) Other Un-allocated Expenditure net off Un-allocated income	(5,124)	14,965	(1,217)	30,631	(547)	30,279
Total Profit Before Tax	**7,723**	**(8,619)**	**11,808**	**(9,237)**	**11,277**	**(8,775)**
3. Capital Employed						
(Segment assets-Segment Liabilities)						
(a) Vaccines	72,029	73,520	72,029	73,520	72,034	73,907
(b) Formulations	16,635	13,659	16,635	13,659	16,635	13,659
(c) Research & Development	19,008	20,779	19,008	20,779	19,008	20,779
(d) Health Management	-	-	-	-	11,067	21,376
(e) Unallocated	(38,041)	(46,443)	(38,041)	(46,443)	(48,691)	(67,323)
Total Capital Employed	**69,631**	**61,515**	**69,631**	**61,515**	**70,053**	**62,398**

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 6th May, 2010 and 7th May, 2010, respectively.

2 Tax expense includes provision for income tax and deferred tax.

3 The Board of Directors has recommended Equity dividend @ Re. 0.25 per Share (25%) for the financial year 2009-10, aggregating Rs.167.10 Lac, excluding dividend distribution tax.

4 During the quarter, the Company has launched three new products namely **Sitcom Cream**, **Thank OD Cream** and **TWO WKS Cream** for the treatment of internal hemorrhoids under its Pro Care, Grow Care & Value India SBU respectively.

5 The Company has got an AMC (Advance Market Commitment) of Rs.1,000 Lac for supply of indigenously produced **Pandyflu™**, its vaccine against H1N1 virus, pursuant to an Agreement signed with Ministry of Health and Family Welfare, Government of India (MoHFW), during the quarter.

6 During the quarter, the Company has been awarded financial assistance of Rs. 1,000 Lac in the form of long-term loan on concessional rate of interest of 2% p.a. under the Biotechnology Industry Partnership Programme (BIPP), an intitiative of the Department of Biotechnology (DBT), Minstry of Science & Technology, Govt. of India, for development of pandemic influnzea vaccine and has got the first instalment of Rs.300 Lac.

7 During the current quarter, the Company has received USFDA approval for its State-of-the-art Pharmaceutical Formulation Facility at Baddi in Himachal Pradesh spanning over 10,925 m^2 having dedicated blocks for oral solids, semi-solids and liquid oral dosage forms. This facility is already cGMP certified by ANVISA - Brazil, Govt. of Upper Bavaria - Germany, TGA - Austrailia and regulatory agencies of other key ROW markets like Jordan, Syria, Ukraine, Yemen, etc.

8 During the quarter under review, the Company has received approval from its shareholders for Buy-back of the Company's own fully paid-up 5,592,000 Equity shares of Re.1 each at a price not exceeding Rs.229 per share by way of Open Market Purchase through Stock Exchanges. The application for exemption under Regulation 4(2) of SEBI (SAST) Regulations has been filed with SEBI during April, 2010 and their approval is expected in due course.

9 The Company has invested an amount of Rs. 225.61 Lac & Rs. 902.44 Lac towards payment of call money during quarter and year ended March 31,2010 in respect of partly paid shares held in its Indian subsidiary, Umkal Medical Institute Pvt. Ltd.

10 As regards the Auditors' observations in their report on the Audited Accounts for the Financial Year 2009-10:

i) With regard to non-provision of proportionate premium on redemption for outstanding portion of US $ 50 million Zero Coupon Convertible Bonds [US $ 36.8 million], the management is of the opinion that the bonds are redeemable only if there is no conversion of bonds earlier, the likelihood of which cannot be ascertained presently. Hence, the payment of premium on redemption is contingent in nature, the outcome of which is dependent upon uncertain future events. Therefore, the same has been disclosed as a contingent liability in the Annual Accounts for earlier years. Accordingly, the proportionate premium on said Bonds during the quarter and year ended March 31, 2010, amounting to Rs.382.88 Lac and Rs.1,528.43 Lac, respectively has also not been provided. The total unprovided redemption premium for period upto March 31, 2010 amounts to 5,649.95 Lac. Further, in the eventuality of bonds not getting converted, premium on redemption shall be adjusted out of the Securities Premium Account and would not have any consequential impact on the Profit & Loss Account.

ii) With regard to capitalization of expenditure on clinical trials for the purpose of registration of Company's product in US and / 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.79.28 Lac and Rs.321.25 Lac towards above said expenditure on clinical trials during quarter and year ended March 31, 2010, respectively, has also been capitalised on similar grounds. The total amount of such capitalisation upto March 31, 2010 is Rs. 4,794.97 Lac.

iii) With regard to payment of managerial remuneration of Rs.381.70 Lac 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 has sought approval of the Central Government for such remuneration. While the approvals to the extent of Rs.146.19 Lac of excess remuneration in respect of Joint Managing Directors have been received, the requisite approvals for balance amount of excess remuneration of Rs.235.51 Lac are awaited.

11 The Consolidated Financial Results have been prepared by consolidating the Company's Audited Annual Accounts for the financial year 2009-10 with the Audited Annual Accounts for the fiscal period ended 31st March, 2010 of its subsidiaries, Best On Health Ltd., Radicura & Co. Ltd., Panacea Education Institute Pvt. Ltd., Panacea Hospitality Services Pvt. Ltd., Sunanda Steel Company Ltd., Umkal Medical Institute Pvt. Ltd., Panacea Biotec Inc., Panacea Biotec FZE, Rees Investments Limited, Kelisia Holdings Limited, Kelisia Investment Holdings AG, Panacea Biotec (International) SA, Panacea Biotec (Europe) AG and Joint Venture Company, Chiron Panacea Vaccines Pvt. Ltd. and Associate Companies, PanEra Biotec Pvt. Ltd. and Lakshmi & Manager Holdings Limited; and Indirect Associate Company Best General Insurance Company Ltd. and unaudited financial results for the fiscal period ended 31st March, 2010 of its subsidiary Panacea Biotec GmbH.

12 Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [1]; Received [2]; Disposed [3]; Closing [0].

13 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.

14 Ratios have been computed as follows:

a) Debt Equity Ratio = (Debt/Equity) (Debt = Secured Loan + Unsecured Loan). (Net Worth = Equity Share Capital + Reserves & Surpluses - Miscellaneous Expenditure to the extent not written off or adjusted)

b) Interest Coverage Ratio = Profit before Interest, Depreciation & Tax / Interest

c) Debt Service Coverage Ratio = Profit before Interest, Depreciation & Tax / (Interest + Long term loan repayments during the year)

15 The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.

For and on behalf of the Board

New Delhi
May 7, 2010

Dr. Rajesh Jain
Joint Managing Director

Panacea Biotec Ltd.

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

Website : http://www.panacea-biotec.com