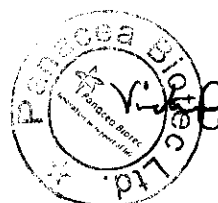


Limited Review Report**Review Report to
The Board of Directors
Panacea Biotec Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Panacea Biotec Limited ('the Company') for the quarter ended December 31, 2011 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 Engagements (SRE) 2400, Engagements to Review Financial Statements 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. a.) Without qualifying our conclusion, we draw attention to Note 10 of accompanying unaudited financial results regarding capitalization of expenditure on clinical trials amounting to Rs. 68 lacs for quarter ended December 31, 2011 and Rs. 6,459 lacs as of December 31, 2011. The ultimate approval of such products, which has been considered as highly likely by the management, is not within direct control of the entity. No adjustments have been made to the accompanying statement of results in view of above.

b.) Without qualifying our conclusion, we draw attention to Note 11 (i) of accompanying unaudited financial results regarding delisting of Company's DTP-based combination vaccines by WHO from its list of pre-qualified vaccines. The Company has initiated steps in order to get these products re-listed in the list of prequalified vaccines of WHO. Pending outcome of the above measures, no adjustments have been made to the accompanying statement of results.

c.) Without qualifying our conclusion, we draw attention to Note 11 (ii) of accompanying unaudited financial results regarding managerial remuneration of Rs. 429 lacs for the nine months period ending 31st December 2011, which is likely to exceed the limits specified by the relevant provisions of the Companies Act, 1956 on account of losses incurred during the relevant period. The Company has initiated steps to obtain approval from Central Government in respect to the excess remuneration paid. Pending outcome of the steps taken, no adjustments have been made to the accompanying statement of results.



S.R. BATLIBOI & Co.

Chartered Accountants

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

S.R. Batliboi & Co.

For S. R. Batliboi & Co.

Firm registration number: 301003E

Chartered Accountants

Rajiv Goyal

per Rajiv Goyal
Partner

Membership No.: 94549



Place : Gurgaon, Haryana

Date : February 10, 2012