

**Statement of Audited Financial Results for the Quarter & Financial Year ended
March 31, 2012**

Particulars	Stand alone quarter ended			Stand alone year ended		Consolidated year ended	
	March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
PART - I							
1. Income from operations							
a. Net sales / income from operations (net of excise duty)	8,986	15,298	33,993	68,838	113,046	69,790	114,342
b. Other operating income	97	218	500	1,220	2,190	1,345	2,702
Total income from operations (net)	9,085	15,516	34,493	70,058	115,239	71,125	117,044
2. Expenditure							
a. Cost of materials consumed	1,191	2,779	11,135	30,236	44,592	30,219	44,597
b. Purchase of stock in trade	512	488	417	2,452	2,444	2,688	2,735
c. Decrease in inventories	2,545	5,240	5,701	2,056	5,887	1,770	5,880
d. Employees benefits expense	5,415	3,862	4,619	15,045	15,431	16,072	16,081
e. Depreciation and amortisation expense	1,967	1,940	1,902	7,539	7,311	7,713	7,453
f. Manufacturing and administrative expenses	572	2,907	3,168	9,187	10,793	11,877	11,088
g. Other expenses	6,088	3,124	2,747	15,786	9,373	16,103	10,002
Total expenses	18,262	20,340	29,589	82,303	95,831	86,542	97,836
3. (Loss)/Profit from operations before other income, finance cost, foreign exchange fluctuation gain/ (loss) & exceptional items (1-2)	(9,197)	(4,824)	4,804	(12,245)	19,408	(15,417)	19,208
4. Other income	280	201	457	746	1,312	767	1,013
5. (Loss)/Profit from ordinary activities before finance cost, foreign exchange fluctuation gain / (loss) & exceptional items (3+4)	(8,917)	(4,623)	5,261	(11,500)	20,720	(14,650)	20,221
6. Finance cost	2,545	2,121	1,618	9,539	5,144	9,526	5,127
7. Foreign exchange fluctuation loss/ (gain)	1,320	593	94	1,041	27	1,349	(342)
8. (Loss)/Profit from ordinary activities after finance cost before exceptional items (5-6-7)	(12,782)	(7,337)	3,550	(22,080)	15,549	(25,625)	15,437
9. Exceptional items (Refer note 11)	4,214	-	-	4,214	-	-	-
10. Profit / (loss) from ordinary activities before tax (8+9)	(16,996)	(7,337)	3,550	(26,295)	15,549	(25,525)	15,437
11. Tax expenses	(5,081)	(165)	(753)	(5,516)	2,044	(5,413)	2,189
12. Net profit / (loss) from ordinary activities after tax (10-11)	(11,915)	(7,172)	4,303	(20,779)	13,505	(20,112)	13,248
13. Extraordinary items (net of tax expenses)	-	-	-	-	-	-	-
14. Net profit / (loss) for the period (12-13)	(11,915)	(7,172)	4,303	(20,779)	13,505	(20,112)	13,248
15. Share of profit / (loss) of associates	-	-	-	-	-	(453)	1,219
16. Minority interest	-	-	-	-	-	-	1
17. Net profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (14 +15+16)	(11,915)	(7,172)	4,303	(20,779)	13,505	(20,565)	14,467
18. Paid up equity share capital (face value of Re.1 per share)	613	613	613	613	613	613	613
19. Reserves excluding revaluation reserves	-	-	-	42,265	83,068	43,858	64,271
20. Earning per share (EPS)							
- Basic (in Rs.)	(19.40)	(11.71)	6.95	(33.92)	21.35	(32.64)	22.98
- Diluted (in Rs.)	(19.46)	(11.71)	6.95	(33.92)	21.35	(32.64)	22.98
PART - II							
A. Particulars of shareholding							
1. Public shareholding							
- No. of shares	15,427,192	15,406,306	15,364,465	15,427,192	15,364,465	15,427,192	15,364,465
- Percentage of shareholding	25.19	25.15	25.08	25.19	25.08	25.19	25.08
2. Promoters and promoter group Shareholding							
a) Pledge / encumbered							
- No. of shares	-	20,096	38,000	-	38,000	-	38,000
- % of Shares (as a % of the total shareholding of promoter & promoter group)	-	0.04	0.08	-	0.08	-	0.08
- % of Shares (as a % of the total share capital of the Company)	-	0.03	0.06	-	0.06	-	0.06
b) Non-encumbered							
- Number of shares	45,823,554	45,824,254	45,848,281	45,823,554	45,848,281	45,823,554	45,848,281
- % of Shares (as a % of the total shareholding of promoter & promoter group)	100.00	99.96	99.92	100.00	99.92	100.00	99.92
- % of Shares (as a % of the total share capital of the Company)	74.81	74.82	74.88	74.81	74.86	74.81	74.86



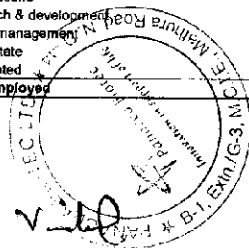
B. Investor complaints	
Pending at the beginning of the quarter	1
Received during the quarter	4
Disposed of during the quarter	5
Remaining unresolved at the end of the quarter	.

Audited Segment-wise Revenue , Results, and Capital Employed

Particulars	Standalone quarter ended			Standalone year ended		Consolidated year ended	
	March 31, 2012	December 31, 2011	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment revenue							
(a) Vaccines	2,302	6,873	27,736	35,907	83,787	36,805	85,083
(b) Formulations	6,738	8,470	6,504	33,352	30,073	33,352	30,073
(c) Research & development	-	-	(0)	-	-	-	-
(d) Health management	-	-	-	-	-	-	-
(e) Real estate	-	-	-	-	-	-	-
(f) Unallocated	54	173	253	798	1,379	968	1,888
Gross sales/income from operation	9,095	15,516	34,493	70,058	115,239	71,125	117,044
Less: Inter segment revenue	-	-	-	-	-	-	-
Net sales/income from operations	9,095	15,516	34,493	70,058	115,239	71,125	117,044
2. Segment results							
Profit (+)/ loss (-) before tax and interest from each segment							
(a) Vaccines	(2,081)	(1,620)	10,072	644	29,512	892	29,605
(b) Formulations	(263)	1,571	124	6,391	5,711	6,392	5,711
(c) Research & development	(4,170)	(2,405)	(1,971)	(10,414)	(7,531)	(10,414)	(7,531)
(d) Health management	-	-	-	-	-	-	(1)
(e) Real estate	-	-	-	-	-	(60)	(111)
(f) Unallocated	-	-	-	-	-	-	-
Total	(6,494)	(2,454)	8,225	(3,079)	27,692	(3,190)	27,673
Less: i) Finance cost	4,804	1,635	1,527	9,539	4,780	9,528	4,729
ii) Other un-allocated expenditure net off un-allocated income	5,998	3,248	3,148	13,677	7,363	12,809	7,507
Total profit before tax	(16,996)	(7,337)	3,550	(26,295)	15,549	(26,628)	15,437
3. Capital Employed							
(Segment assets-segment liabilities)							
(a) Vaccines	74,570	63,318	79,443	74,570	79,443	55,492	57,344
(b) Formulations	28,384	23,379	17,641	28,384	17,641	28,384	17,641
(c) Research & development	23,666	20,318	21,248	23,666	21,248	23,666	21,248
(d) Health management	-	-	-	-	-	2,618	2,865
(e) Real estate	-	-	-	-	-	25,721	18,691
(f) Unallocated	(45,420)	(52,198)	(54,854)	(45,420)	(54,654)	(49,606)	(52,905)
Total capital employed	81,200	54,816	63,678	81,200	63,678	87,275	64,884

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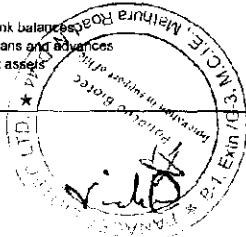
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Statement of Assets & Liabilities

(Rs. in lacs)

Particulars	Standalone year ended		Consolidated year ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Audited)	(Audited)	(Audited)	(Audited)
Equity and liabilities				
Shareholders' funds				
Share capital	613	613	613	613
Reserves and surplus	80,587	63,065	88,662	64,274
	81,200	63,678	87,275	64,887
Minority interest	-	-	660	640
Foreign currency monetary item translation difference account (net of amortisation)	205	-	205	-
Non-current liabilities				
Long term borrowings	48,303	42,374	51,252	42,373
Deferred tax liabilities (Net)	2,050	7,566	2,073	7,582
Long term provisions	206	236	222	764
Trade payables	-	-	1,384	-
	50,559	50,176	54,931	50,719
Current liabilities				
Short-term borrowings	26,934	38,244	24,954	36,394
Trade payables	11,818	8,269	12,221	9,738
Other current liabilities	13,636	10,100	13,710	10,138
Short-term provisions	936	1,311	990	870
	53,324	57,924	51,875	57,140
Total	185,258	171,776	194,946	173,386
Assets				
Non current assets				
Fixed assets				
Tangible assets	95,434	53,463	114,265	66,863
Intangible assets	4,697	1,245	4,864	1,264
Capital work-in-progress	1,207	2,294	5,585	3,629
Intangible assets under development	3,499	8,234	3,509	8,261
Goodwill on consolidation	-	-	382	347
Non-current investments	25,847	23,294	3,091	5,657
Long-term loans and advances	3,217	10,485	9,845	5,589
Trade receivables	-	-	375	-
Other non current assets	12	9	654	330
	138,913	99,004	142,550	91,940
Current assets				
Current investments	-	-	160	10
Trade receivables	6,645	27,884	6,483	27,557
Inventories	33,973	36,801	38,497	41,063
Cash and bank balances	1,133	3,638	1,553	4,895
Short-term loans and advances	4,117	3,348	5,181	7,168
Other current assets	507	803	542	752
	46,375	72,774	52,396	81,446
Total	185,289	171,778	194,946	173,386



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 17th May, 2012 and 18th May, 2012 respectively.
- 2 The financial statements have been prepared as per revised schedule VI to the Companies Act, 1956 which had a significant impact on the presentation. Previous period / year figures have been regrouped / reclassified to make them comparable with those of current period / year.
- 3 Tax expense includes income tax and deferred tax.
- 4 During the quarter, an amount of US\$ 1,50,000 (around Rs. 75.04 Lac) was remitted to the Company's WOS, Rees Investments Limited, Guernsey in terms of existing Loan Agreement.
- 5 During the quarter, the Company has launched new products namely **Pangraf 0.25** and **Vagacyte 450** for renal disease management.
- 6 During the quarter, the Company has inaugurated its new state-of-the-art Oncology facility at Badli, Himachal Pradesh to meet the growing demand of anti-cancer products in the country. This new manufacturing facility will entail an annual production capacity of around 1.2 million vials, and being set up in compliance with various international regulatory standards like cGMP, USFDA & UK-MHRA.
- 7 Pursuant to the amendment to Accounting standard (AS)11, "The effects of changes in Foreign Exchange Rates" vide notification issued by Ministry of Corporate Affairs dated 29.12.2011, exchange differences of Rs. 2,452 Lac for the period ended 31st March 2012, arising on long term foreign currency monetary items so far as they relate to acquisition of depreciable capital assets has been capitalized in the books of accounts and the same is being depreciated over the useful life of assets. Besides, the unamortized portion of exchange difference of Rs. 206 Lacs as on 31st March, 2012 arising on long term foreign currency monetary items not related to the acquisition of depreciable capital assets has been accumulated in the "Foreign Currency Monetary Item Translation Difference Account".
- 8 In view of losses during the current financial year, the Board of Directors has not recommended any dividend on the Equity Shares of the Company.
- 9 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.
- 10 As regards Auditors' observations in their report on the Audited Accounts for the Financial Year 2011-12
- a) With regard to capitalization of expenditure on clinical trials for the purpose of registration of Company's products outside India, 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. 194 Lacs towards the above said expenditure on clinical trials during the quarter ended March 31, 2012, has also been capitalized on similar grounds. The total amount of such capitalization up to March 31, 2012 is Rs. 1865 Lacs.
- b) On account of the unexpected inadequacy of profits during the year ended March 31, 2012, the managerial remuneration of Rs. 659 Lacs has exceeded the limits prescribed under Section 198 and 309 read with Part II of Schedule XIII of the Companies Act, 1956. The company has initiated steps to obtain approval from Central Government for the excess remuneration paid.
- c) During the quarter ended September 30, 2011, following a routine site audit, WHO had delisted the Company's DTP based combination and monovalent hepatitis B vaccines from its list of pre-qualified vaccines on account of deficiencies in quality management system. However, the issue is not about the quality, safety or efficiency of the products. The Company has initiated corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines and are in touch with WHO in this respect.
- d) WHO team visited Okhla facility during Jan-Feb. 2012, after the Company had undertaken several measures regarding refurbishment of facility and strengthening of quality management systems in Sept-Dec. 2011, to assess GMP compliance and QMS applied to production and control of oral polio vaccines. Considering the series of changes made to the facility and WHO assessment, further corrective actions need to be implemented. Thus, the Company had arrived at a voluntary decision on 7 February 2012 to withdraw its OPV from the WHO list of Pre-qualified vaccines following which WHO has removed the oral polio vaccine (OPV) produced by the Company from its list of pre-qualified vaccines.
- e) The Company is confident that with these corrective & preventive measures, the Company will be able to get re-listing of above said vaccines in the list of WHO pre-qualified vaccines in due course.
- 11 As at March 31, 03 2012, an amount of Rs. 6543.4 Lacs (previous year Rs. 4905 Lacs) including interest of Rs 363 Lacs (previous year Rs. 61 Lacs) is receivable from its wholly owned subsidiary viz. Rees Investment Ltd. During the current year, pursuant to the diminution in value of investment temporarily in US based listed company 'Pharmathane Inc.' by Rees through its subsidiary and losses in Rees & its other subsidiaries, loan repayment capability of Rees Investment Ltd. came under pressure. Based on conservative prudence approach, an amount of Rs. 4214 Lacs has been provided for as 'Provision for bad and doubtful advances'.
- 12 The Consolidated Financial Results have been prepared by consolidating the Company's Audited Annual Accounts for the financial year 2011-12 with the Audited Annual Accounts for the fiscal period ended 31st March, 2012 of its subsidiaries, Best On Health Ltd., Radiara & Co. Ltd., Panacea Education Institute Pvt. Ltd., Panacea Hospitality Services Pvt. Ltd., Surande Steel Company Ltd., Best on Health Foods Limited, Nimale 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 Biotech FZE, Rees Investments Limited, Kelsia Holdings Limited, Kelsia Investment Holdings AG, Panacea Biotech (International) SA, Panacea Biotech (Europe) AG, Panacea Biotech GmbH, Panacea Biotech Germany GmbH, and Lakshmi & Manager Holdings Limited (WOS wef 24th Nov 2011 prior to that it was an Associate), Best General Insurance Company Ltd (WOS wef 24th Nov 2011), Trindhi Finance Private Limited (WOS wef 24th Nov 2011) and Joint Venture Company, Chron Panacea Vaccines Pvt. Ltd., Adveta Power Private Limited and Associate Companies, PanEra Biotech Pvt. Ltd.
- 13 The Company has revalued its land and buildings as at 1st April 2011, at the fair values determined by an independent external valuer by reference to market-based evidence based on active market prices adjusted for any difference in the nature, location or condition of the specific property. The revaluation has resulted in an increase in the book value of land and building by Rs. 39,465 Lac which has been credited to revaluation reserve. In accordance with the option given in the guidance note on accounting for depreciation in companies, the Company has regrouped depreciation on revaluation of these assets out of revaluation reserve.
- 14 The figures for the last quarter of the current year and of the previous year are the balancing figures between the audited figures for full financial year and the published year to date figures upto December 31, 2011.

For and on behalf of the Board

New Delhi
May 18, 2012

Dr. Rajesh Jain
Joint Managing Director

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