



**Panacea Biotec**

*Innovation in support of life*

30<sup>th</sup> May, 2014

The Manager, Listing Department  
The National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Fax No.:022-26598237 / 38

NSE Symbol : PANACEABIO

BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Fax No.:022-22721919, 3121

BSE Scrip Code: 531349

- Reg.: i. **Audited Financial Results for the year ended 31<sup>st</sup> March, 2014**  
ii. **Passing over of Dividend for the financial year 2013-14**

Dear Sir,

This is to inform you that the Board of Directors of the Company has, at its meeting held today, i.e. 30<sup>th</sup> May, 2014, inter-alia, considered the following items:

- 1) Approved the Audited Financial Results for the year ended 31<sup>st</sup> March, 2014. The same were also reviewed and considered by the Audit Committee of the Board of Directors in its meeting held on 29<sup>th</sup> May, 2014.
- 2) In view of non-availability of profits, no dividend has been recommended on the Equity Shares of the Company for the financial year ended 31<sup>st</sup> March, 2014.

A copy of the Statement of Audited Financial Results for the year ended 31<sup>st</sup> March, 2014, approved by the Board pursuant to Clause 41 of the Listing Agreement is enclosed for your reference and record. The same has also been sent for publication as per the requirements of Listing Agreement.

Please also find enclosed the Auditor's Report on Quarterly Financial Results and year to date results received from M/s S.R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company.

This is for your kind information and record please. Kindly acknowledge the receipt.

Thanking you,

Yours truly,

for Panacea Biotec Ltd.

Vinod Goel

G.M. Legal & Company Secretary

Encl. : As above.

1. Corporate Relationship Department  
The Stock Exchange, Mumbai,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotundu Building, P J Towers,  
Dalal Street, Fort, Mumbai – 400 001  
Fax No.22722037/39/41/61/3121/3719

**Panacea Biotec Ltd.**

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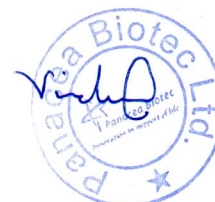
**Statement of standalone and consolidated financial results (Audited) for the quarter & financial year ended March 31, 2014**

| Particulars                                                                                              | Standalone quarter ended          |                   |                                   | Standalone year ended |                 | Consolidated year ended |                 |
|----------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|-----------------------------------|-----------------------|-----------------|-------------------------|-----------------|
|                                                                                                          | March 31, 2014                    | December 31, 2013 | March 31, 2013                    | March 31, 2014        | March 31, 2013  | March 31, 2014          | March 31, 2013  |
|                                                                                                          | (Audited<br>(also refer note 12)) | (Unaudited)       | (Audited<br>(also refer note 12)) | (Audited)             | (Audited)       | (Audited)               | (Audited)       |
| <b>PART - I</b>                                                                                          |                                   |                   |                                   |                       |                 |                         |                 |
| <b>1. Income from operations</b>                                                                         |                                   |                   |                                   |                       |                 |                         |                 |
| a. Net sales / income from operations (net of excise duty)                                               | 15,615                            | 10,580            | 18,437                            | 46,714                | 53,042          | 47,541                  | 54,304          |
| b. Other operating income                                                                                | 754                               | 582               | 599                               | 3,589                 | 6,550           | 3,586                   | 6,601           |
| <b>Total income from operations (net)</b>                                                                | <b>16,369</b>                     | <b>11,162</b>     | <b>19,036</b>                     | <b>50,303</b>         | <b>59,592</b>   | <b>51,127</b>           | <b>60,905</b>   |
| <b>2. Expenditure</b>                                                                                    |                                   |                   |                                   |                       |                 |                         |                 |
| a. Cost of materials consumed                                                                            | 1,786                             | 4,270             | 4,635                             | 19,658                | 23,637          | 19,863                  | 23,735          |
| b. Purchase of stock in trade                                                                            | 442                               | 514               | 554                               | 2,239                 | 2,326           | 2,239                   | 2,341           |
| c. (Increase)/Decrease in inventories                                                                    | 6,447                             | 1,931             | 5,091                             | (1,089)               | 29              | (1,190)                 | 265             |
| d. Employees benefits expense                                                                            | 3,264                             | 3,744             | 3,471                             | 14,273                | 13,723          | 14,497                  | 14,694          |
| e. Depreciation and amortisation expense                                                                 | 1,543                             | 1,591             | 2,102                             | 6,880                 | 8,354           | 6,994                   | 8,600           |
| g. Other expenses                                                                                        | 8,832                             | 4,626             | 7,103                             | 24,671                | 27,138          | 24,243                  | 28,419          |
| <b>Total expenses</b>                                                                                    | <b>22,314</b>                     | <b>16,676</b>     | <b>22,956</b>                     | <b>66,632</b>         | <b>75,207</b>   | <b>66,646</b>           | <b>78,054</b>   |
| <b>3. (Loss)/Profit from operations before other income, finance cost &amp; exceptional items (1-2)</b>  | <b>(5,945)</b>                    | <b>(5,514)</b>    | <b>(3,920)</b>                    | <b>(16,329)</b>       | <b>(15,615)</b> | <b>(15,519)</b>         | <b>(17,149)</b> |
| 4. Other income                                                                                          | 1,056                             | 63                | 272                               | 1,164                 | 543             | (10,586)                | 488             |
| <b>5. (Loss)/Profit from ordinary activities before finance cost &amp; exceptional items (3+4)</b>       | <b>(4,889)</b>                    | <b>(5,451)</b>    | <b>(3,648)</b>                    | <b>(15,165)</b>       | <b>(15,072)</b> | <b>(26,105)</b>         | <b>(16,661)</b> |
| 6. Finance cost                                                                                          | 3,706                             | 3,979             | 3,570                             | 14,579                | 10,574          | 15,030                  | 10,376          |
| <b>7. (Loss)/Profit from ordinary activities after finance cost before exceptional items (5-6)</b>       | <b>(8,595)</b>                    | <b>(9,430)</b>    | <b>(7,218)</b>                    | <b>(29,744)</b>       | <b>(25,646)</b> | <b>(41,135)</b>         | <b>(27,037)</b> |
| 8. Exceptional income/(exp) - Refer note 11(i) (ii) (iii) & (iv)                                         | 11,993                            | 17,709            | (1,057)                           | 29,702                | 583             | 29,784                  | 1,731           |
| <b>9. Profit / (loss) from ordinary activities before tax (7+8)</b>                                      | <b>3,398</b>                      | <b>8,279</b>      | <b>(8,275)</b>                    | <b>(42)</b>           | <b>(25,063)</b> | <b>(11,351)</b>         | <b>(25,306)</b> |
| 10. Tax expenses                                                                                         | -                                 | -                 | -                                 | -                     | (2,050)         | 171                     | (1,876)         |
| <b>11. Net profit / (loss) from ordinary activities after tax (9-10)</b>                                 | <b>3,398</b>                      | <b>8,279</b>      | <b>(8,275)</b>                    | <b>(42)</b>           | <b>(23,013)</b> | <b>(11,522)</b>         | <b>(23,430)</b> |
| 12. Extraordinary items (net of tax expenses)                                                            | -                                 | -                 | -                                 | -                     | -               | -                       | -               |
| <b>13. Net profit / (loss) for the period (11-12)</b>                                                    | <b>3,398</b>                      | <b>8,279</b>      | <b>(8,275)</b>                    | <b>(42)</b>           | <b>(23,013)</b> | <b>(11,522)</b>         | <b>(23,430)</b> |
| 14. Share of profit/(loss) of associates                                                                 | -                                 | -                 | -                                 | -                     | -               | (57)                    | 2               |
| 15. Minority interest                                                                                    | -                                 | -                 | -                                 | -                     | -               | (108)                   | -               |
| <b>16. Net profit/(loss) after minority interest and share of profit/(loss) of associates (13+14+15)</b> | <b>3,398</b>                      | <b>8,279</b>      | <b>(8,275)</b>                    | <b>(42)</b>           | <b>(23,013)</b> | <b>(11,688)</b>         | <b>(23,428)</b> |
| 17. Paid up equity share capital (face value of Re. 1 per share)                                         | 613                               | 613               | 613                               | 613                   | 613             | 613                     | 613             |
| 18. Reserves excluding revaluation reserves                                                              | -                                 | -                 | -                                 | 17,296                | 18,282          | 8,147                   | 20,277          |
| 19. Earning per share (EPS)                                                                              |                                   |                   |                                   |                       |                 |                         |                 |
| - Basic (in Rs.)                                                                                         | 5.55                              | 13.52             | (13.51)                           | (0.07)                | (37.57)         | (19.08)                 | (38.25)         |
| - Diluted (in Rs.)                                                                                       | 5.55                              | 13.52             | (13.51)                           | (0.07)                | (37.57)         | (19.08)                 | (38.25)         |
| <b>PART - II</b>                                                                                         |                                   |                   |                                   |                       |                 |                         |                 |
| <b>A. Particulars of shareholding</b>                                                                    |                                   |                   |                                   |                       |                 |                         |                 |
| 1. Public shareholding                                                                                   |                                   |                   |                                   |                       |                 |                         |                 |
| - No. of shares                                                                                          | 15,427,192                        | 15,427,192        | 15,427,192                        | 15,427,192            | 15,427,192      | 15,427,192              | 15,427,192      |
| - Percentage of shareholding                                                                             | 25.19                             | 25.19             | 25.19                             | 25.19                 | 25.19           | 25.19                   | 25.19           |
| 2. Promoters and promoter group Shareholding                                                             |                                   |                   |                                   |                       |                 |                         |                 |
| a) Pledge / encumbered                                                                                   |                                   |                   |                                   |                       |                 |                         |                 |
| - No. of shares                                                                                          | -                                 | -                 | -                                 | -                     | -               | -                       | -               |
| - % of Shares (as a % of the total shareholding of promoter & promoter group)                            | -                                 | -                 | -                                 | -                     | -               | -                       | -               |
| - % of Shares (as a % of the total share capital of the Company)                                         | -                                 | -                 | -                                 | -                     | -               | -                       | -               |
| b) Non-encumbered                                                                                        |                                   |                   |                                   |                       |                 |                         |                 |
| - Number of shares                                                                                       | 45,823,554                        | 45,823,554        | 45,823,554                        | 45,823,554            | 45,823,554      | 45,823,554              | 45,823,554      |
| - % of Shares (as a % of the total shareholding of promoter & promoter group)                            | 100.00                            | 100.00            | 100.00                            | 100.00                | 100.00          | 100.00                  | 100.00          |
| - % of Shares (as a % of the total share capital of the Company)                                         | 74.81                             | 74.81             | 74.81                             | 74.81                 | 74.81           | 74.81                   | 74.81           |

|                                                |   |
|------------------------------------------------|---|
| <b>B. Investor complaints</b>                  |   |
| Pending at the beginning of the quarter        | - |
| Received during the quarter                    | 2 |
| Disposed of during the quarter                 | 2 |
| Remaining unresolved at the end of the quarter | - |

**Audited Segment-wise Revenue, Results, and Capital Employed**

| Particulars                                                            | For quarter ended              |                   |                                | Standalone year ended |                 | Consolidated year ended |                 |
|------------------------------------------------------------------------|--------------------------------|-------------------|--------------------------------|-----------------------|-----------------|-------------------------|-----------------|
|                                                                        | March 31, 2014                 | December 31, 2013 | March 31, 2013                 | March 31, 2014        | March 31, 2013  | March 31, 2014          | March 31, 2013  |
|                                                                        | (Audited (also refer note 12)) | (Unaudited)       | (Audited (also refer note 12)) | (Audited)             | (Audited)       | (Audited)               | (Audited)       |
| <b>1. Segment revenue</b>                                              |                                |                   |                                |                       |                 |                         |                 |
| (a) Vaccines                                                           | 7,036                          | 2,921             | 8,956                          | 13,334                | 17,682          | 13,384                  | 18,653          |
| (b) Formulations                                                       | 9,147                          | 8,070             | 9,815                          | 35,239                | 38,546          | 35,672                  | 38,600          |
| (c) Research & development                                             | 186                            | 171               | -                              | 1,730                 | 2,717           | 1,748                   | 2,774           |
| (d) Health management                                                  | -                              | -                 | -                              | -                     | -               | 1                       | 3               |
| (e) Real estate                                                        | -                              | -                 | -                              | -                     | -               | 407                     | 32              |
| (f) Unallocated                                                        | -                              | -                 | 265                            | -                     | 647             | (85)                    | 843             |
| <b>Gross sale/Income from operation</b>                                | <b>16,369</b>                  | <b>11,162</b>     | <b>19,036</b>                  | <b>50,303</b>         | <b>59,592</b>   | <b>51,127</b>           | <b>60,905</b>   |
| Less : Inter segment revenue                                           | -                              | -                 | -                              | -                     | -               | -                       | -               |
| <b>Net sales/Income from operations</b>                                | <b>16,369</b>                  | <b>11,162</b>     | <b>19,036</b>                  | <b>50,303</b>         | <b>59,592</b>   | <b>51,127</b>           | <b>60,905</b>   |
| <b>2. Segment results</b>                                              |                                |                   |                                |                       |                 |                         |                 |
| <b>Profit (+) / loss (-) before tax and interest from each segment</b> |                                |                   |                                |                       |                 |                         |                 |
| (a) Vaccines                                                           | (1,819)                        | 5,733             | (1,604)                        | 2,001                 | (9,456)         | 2,033                   | (9,259)         |
| (b) Formulations                                                       | 1,167                          | 5,995             | 219                            | 10,834                | 8,375           | 11,176                  | 11,156          |
| (c) Research & development                                             | (2,750)                        | 1,496             | (2,668)                        | (4,752)               | (7,712)         | (4,752)                 | (10,486)        |
| (d) Health management                                                  | -                              | -                 | -                              | -                     | -               | 1                       | 3               |
| (e) Real estate                                                        | -                              | -                 | -                              | -                     | -               | 408                     | 238             |
| (f) Unallocated                                                        | -                              | -                 | -                              | -                     | -               | 611                     | 657             |
| <b>Total</b>                                                           | <b>(3,402)</b>                 | <b>13,224</b>     | <b>(4,053)</b>                 | <b>8,083</b>          | <b>(8,793)</b>  | <b>9,477</b>            | <b>(7,691)</b>  |
| Less : i) Finance cost                                                 | 3,706                          | 3,979             | 3,570                          | 14,579                | 10,574          | 15,029                  | 10,376          |
| ii) Other un-allocated expenditure net off un-allocated income         | (10,506)                       | 966               | 652                            | (6,454)               | 5,696           | 5,799                   | 7,239           |
| <b>Total profit before tax</b>                                         | <b>3,398</b>                   | <b>8,279</b>      | <b>(8,275)</b>                 | <b>(42)</b>           | <b>(25,063)</b> | <b>(11,351)</b>         | <b>(25,306)</b> |
| <b>3. Capital Employed</b>                                             |                                |                   |                                |                       |                 |                         |                 |
| (Segment assets-segment liabilities)                                   |                                |                   |                                |                       |                 |                         |                 |
| (a) Vaccines                                                           | 60,020                         | 58,171            | 55,595                         | 60,020                | 55,595          | 60,465                  | 56,027          |
| (b) Formulations                                                       | 24,360                         | 24,023            | 26,251                         | 24,360                | 26,251          | 25,867                  | 26,250          |
| (c) Research & development                                             | 19,431                         | 17,199            | 19,548                         | 19,431                | 19,548          | 19,431                  | 19,548          |
| (d) Health management                                                  | -                              | -                 | -                              | -                     | -               | 5,023                   | 3,613           |
| (e) Real estate                                                        | -                              | -                 | -                              | -                     | -               | 26,798                  | 26,538          |
| (f) Unallocated                                                        | (47,582)                       | (46,981)          | (45,268)                       | (47,582)              | (45,268)        | (86,106)                | (69,409)        |
| <b>Total capital employed</b>                                          | <b>56,229</b>                  | <b>52,412</b>     | <b>56,126</b>                  | <b>56,229</b>         | <b>56,126</b>   | <b>51,478</b>           | <b>62,567</b>   |

## Statement of Assets &amp; Liabilities

| Particulars                         | Standalone year ended |                | Consolidated year ended |                |
|-------------------------------------|-----------------------|----------------|-------------------------|----------------|
|                                     | March 31, 2014        | March 31, 2013 | March 31, 2014          | March 31, 2013 |
|                                     | (Audited)             | (Audited)      | (Audited)               | (Audited)      |
| <b>Equity and liabilities</b>       |                       |                |                         |                |
| <b>Shareholders' funds</b>          |                       |                |                         |                |
| Share capital                       | 613                   | 613            | 613                     | 613            |
| Reserves and surplus                | 55,616                | 55,513         | 50,865                  | 61,954         |
|                                     | <b>56,229</b>         | <b>56,126</b>  | <b>51,478</b>           | <b>62,567</b>  |
| <b>Minority interest</b>            | -                     | -              | 548                     | 735            |
| <b>Non-current liabilities</b>      |                       |                |                         |                |
| Long term borrowings                | 48,013                | 60,720         | 58,317                  | 68,991         |
| Deferred tax liabilities (Net)      | -                     | -              | 52                      | 49             |
| Long term provisions                | 202                   | 252            | 206                     | 253            |
| Other long term liabilities         | 173                   | 236            | 290                     | 354            |
|                                     | <b>48,388</b>         | <b>61,208</b>  | <b>58,865</b>           | <b>69,647</b>  |
| <b>Current liabilities</b>          |                       |                |                         |                |
| Short-term borrowings               | 35,440                | 29,914         | 32,067                  | 27,400         |
| Trade payables                      | 22,626                | 15,399         | 24,646                  | 17,569         |
| Other current liabilities           | 24,812                | 4,347          | 25,708                  | 4,984          |
| Short-term provisions               | 1,151                 | 988            | 1,182                   | 1,044          |
|                                     | <b>84,029</b>         | <b>50,648</b>  | <b>83,603</b>           | <b>50,997</b>  |
| <b>Total</b>                        | <b>188,646</b>        | <b>167,982</b> | <b>194,494</b>          | <b>183,946</b> |
| <b>Assets</b>                       |                       |                |                         |                |
| <b>Non current assets</b>           |                       |                |                         |                |
| <b>Fixed assets</b>                 |                       |                |                         |                |
| Tangible assets                     | 105,509               | 91,698         | 123,812                 | 110,518        |
| Intangible assets                   | 3,086                 | 4,186          | 3,203                   | 4,337          |
| Capital work-in-progress            | 1,372                 | 1,694          | 16,012                  | 12,462         |
| Intangible assets under development | 1,236                 | 1,063          | 1,236                   | 1,064          |
| Goodwill on consolidation           | -                     | -              | 532                     | 594            |
| Non-current investments             | 39,420                | 27,185         | 1,594                   | 1,651          |
| Long-term loans and advances        | 8,076                 | 9,618          | 9,802                   | 9,591          |
| Other non current assets            | 18                    | -              | 35                      | 17             |
|                                     | <b>158,717</b>        | <b>135,444</b> | <b>156,226</b>          | <b>140,234</b> |
| <b>Current assets</b>               |                       |                |                         |                |
| Current investments                 | -                     | -              | 3                       | 599            |
| Trade receivables                   | 9,058                 | 6,875          | 9,537                   | 6,985          |
| Inventories                         | 17,676                | 22,474         | 22,104                  | 26,794         |
| Cash and bank balances              | 968                   | 1,259          | 2,478                   | 3,923          |
| Short-term loans and advances       | 1,838                 | 1,635          | 3,736                   | 5,032          |
| Other current assets                | 389                   | 295            | 411                     | 379            |
|                                     | <b>29,929</b>         | <b>32,538</b>  | <b>38,269</b>           | <b>43,712</b>  |
| <b>Total</b>                        | <b>188,646</b>        | <b>167,982</b> | <b>194,494</b>          | <b>183,946</b> |

*(Signature)*





**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 May 29, 2014 and May 30, 2014, respectively.
- 2 Tax expense includes income tax and deferred tax liability.
- 3 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.
- 4 During the quarter ended March, 2014, an amount of Rs.561 lacs has been given as advance share application money to the Company's subsidiary NewRise Healthcare Pvt. Ltd. ('NewRise') and 1,34,900 equity shares of NewRise have been purchased for an amount Rs.114 lacs from the remaining shareholders in pursuance to Share Purchase Agreement dated 08.01.2014. The Company's total investment in NewRise is Rs.4,937 lacs (including advance share application money of Rs.2,003 lacs) and the Company's stake in NewRise has increased to 77.9%, as on March 31, 2014.
- 5 During the quarter, the Company has disposed off its entire shareholding in its WOS, Lakshmi & Manager Holdings Ltd. (LMH) at its fair value of Rs.1,238 lacs. Post such disposal, LMH and its WOS viz. Trinidhi Finance Pvt. Ltd. and subsidiary Best General Insurance Company Ltd. have ceased to be the subsidiaries of the Company w.e.f 25.01.2014.
- 6 The Consolidated Financial Results have been prepared by consolidating the Company's Audited Financial Statements for the financial year 2013-14 with the:-  
(i) Audited Financial Statements for the year ended 31st March, 2014 of Subsidiary Companies viz. Radhika Heights Limited (formerly known as Best on Health Ltd.), Radicura Infra Ltd. (formerly known as Radicura & Co. Ltd.), Nirmala Buildwell Pvt. Ltd. (formerly known as Panacea Hospitality Services Pvt. Ltd.), Cabana Construction Pvt. Ltd. (formerly known as Panacea Educational Institute Pvt. Ltd.), Sunanda Infra Ltd. (formerly Sunanda Steel Company Ltd.), Nirmala Organic Farms & Resorts Pvt. Ltd., Cabana Structures Ltd. (formerly known as Best On Health Foods Limited), Kelisia Holdings Ltd., Kelisia Investment Holding AG (under liquidation), Panacea Biotec (International) SA, Panacea Biotec Germany GmbH, Panacea Biotec GmbH (under liquidation) and NewRise Healthcare Pvt. Ltd.;  
(ii) Audited Financial Statements for the period ended 24th January, 2014 of erstwhile subsidiary companies viz. Lakshmi & Manager Holdings Ltd., Best General Insurance Company Ltd. and Trinidhi Finance Pvt. Ltd.;  
(iii) Audited Financial Statements for the period ended 18th June, 2013 of erstwhile subsidiary viz. Panacea Biotec FZE;  
(iv) Audited Financial Statements for the year ended 31st March, 2014 of Joint Venture Company Chiron Panacea Vaccines Pvt. Ltd. (under liquidation) & Adveta Power Private Limited;  
(v) Audited Financial Statements for the year ended on 31st March, 2014 of Associate Company viz. PanEra Biotec Pvt. Ltd.; and  
(vi) Unaudited Financial Statement for the year ended 31st March 2014 of subsidiary viz. Rees Investment Ltd.
- 7 During the quarter, the Company's proposal for Comprehensive Debt Restructuring (CDR) was admitted with Corporate Debt Restructuring Cell at IDBI Tower, Cuffe Parade. State Bank of India (SBI) has been appointed as the Monitoring Institution (MI). SBI is now finalizing the financial package under the CDR and the same is expected to be filed by them with CDR Cell during the current quarter.
- 8 As regards Auditors' observations in their report on the audited accounts for the Financial Year 2012-13:  
During the quarter ended September 30, 2011, World Health Organization (WHO) had delisted Company's DTP-based combination vaccines from its list of pre-qualified vaccines. The Company made substantive efforts since September 2011 and has revamped the whole Quality Management System at its Lalru and Baddi sites enabling it to get pre-qualified by WHO once again. During the month of February/March, 2013, Auditors from WHO and UNICEF visited the Company's vaccine facilities at Lalru (Punjab) and Baddi (H.P.) with the objective of re-evaluation of the acceptability in principle of Pentavalent Vaccine (DTP-Hep B-Hib) produced by Panacea Biotec for purchase by United Nations Agencies. **World Health Organization (WHO) has completed the evaluation process of pre-qualification (PQ) of Pentavalent Vaccine (Easyfive-TT) and has pre-qualified the same in October, 2013. The company has also received a UNICEF Award for supply of DTP-HepB-Hib (Pentavalent) Vaccine (Easyfive-TT) to UNICEF during the period 2014-2016 and supplies have commenced during the Quarter.**
- 9 As regards Auditors' observations in their report on the audited accounts for the Financial Year 2013-14 and in their limited review report on the above results:  
Due to absence of profits during financial year 2012-13 and 2013-14, total remuneration to the Managing/Joint Managing and Whole Time Director had exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956. Accordingly, applications for protection/approval of the Central Government of such excess remuneration have been filed and requisite approvals are awaited.
- 0 As regards Auditors' observations in their limited review report on the above results that:  
The Company has incurred losses of Rs. 42 lacs (Previous year Rs.23,013 lacs) (including exceptional income of Rs.29,702 lacs (Previous year Rs.1,731 lacs)) during the current year and the Company has net current liabilities of Rs.54,101 lacs (Previous year Rs.18,109 lacs) as on March 31, 2014. Further, the Company's accumulated losses have resulted in erosion of more than fifty percent of its peak net worth calculated as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The fact of such erosion and measures initiated to improve financial condition has been reported to the Board for Industrial and Financial Restructuring ("BIFR") within the stipulated period. The continuous losses have also adversely affected the cash flows of the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
- The Company has undertaken several measures to mitigate the risk of going concern which include supply to UNICEF/other customers of pentavalent vaccine (as explained in note no. 8 above); certain strategic alliances with foreign collaborators for supply of vaccines and pharma products, etc; Comprehensive Debt Restructuring (CDR) proposal which has already been admitted by CDR cell for further processing (as explained in note no. 7 above); and launch of its first product Tacrolimus in USA in Dec 2012 and filing of more ANDAs with USFDA. The management is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow, recover and recoup the erosion in its net worth through profitable operations, discharge its short-term & long term liabilities and continue as a going concern.
- i) In terms of the Accounting Standard -16 "Borrowing Costs", the foreign exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to interest cost were treated as borrowing cost. In pursuance of the clarification issued by Ministry of Corporate Affairs vide its circular no. 25/2012 dated August 9, 2012, the Company accounted for the aforesaid foreign exchange differences arising from foreign currency borrowings as per AS-11 - "The Effects of Changes in Foreign Exchange Rates" in the financial year 2012-13. Consequent to the above, exchange differences of Rs.1,731 lacs which were earlier recognized as borrowing cost pertaining to the financial year 2011-12 were reversed and shown as an exceptional income in the financial year 2012-13. Out of the aforesaid amount of exchange differences of Rs.1,731 lacs, Rs.1,352 lacs were capitalized to the cost of fixed assets and Rs.379 lacs were accumulated in the "foreign currency monetary item translation difference account".
- ii) As at March 31, 2013, an amount of Rs.6,947 lacs including interest of Nil was receivable from Rees Investments Ltd. Pursuant to the diminution in the value of investment and losses in its subsidiaries, an amount of Rs.1,148 lacs had been provided for as 'Provision for bad and doubtful advances' which was shown as an exceptional expense during previous year.



The image shows a handwritten signature in blue ink over a circular blue stamp. The stamp contains the text "Panacea Biotec Ltd." and "Panacea Biotec" in the center, with a star at the bottom. The signature is written in a cursive style.



iii) In earlier years, the Company had subscribed to 7,211,666 0.5% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Re. 1 each at a premium of Rs. 299 per share in its Wholly-owned Subsidiary viz Radhika Heights Limited (formerly Best on Health Limited). During the current quarter, as per the terms of the agreement, the Company exercised its right of conversion of preference shares into equity shares and accordingly, 2,874,159 equity shares of Re. 1 each at a premium of Rs. 1,169 per share aggregating to Rs. 33,628 lacs, have been allotted to the Company, against the redemption value of preference shares as on date of such allotment (including redemption premium of Rs. 11,993 lacs). The aforesaid premium on redemption of preference shares has been shown as an exceptional income in the current quarter. The Company now holds 4,776,319 equity shares of Re. 1 each in Radhika Heights Limited as on March 31, 2014 and the value of total investment therein stands at Rs. 33,857 lacs.

iv) Upto the period ended September 30, 2013, the Company had been accounting for depreciation on fixed assets based on written down value method. The Company has revised its accounting policy of providing for depreciation from written down value method to the straight-line method with effect from October 1, 2014, as the management believes that the straight line method of depreciation accounting would result in more appropriate presentation of financial information. The Company had also carried out a technical evaluation to assess the revised useful life of fixed assets. The change in the above accounting policy has resulted in a surplus of Rs. 19,483 lacs relating to the depreciation already charged upto the period ended September 30, 2013. Out of the total surplus of Rs. 19,483 lacs, surplus of Rs. 17,709 lacs has been credited to the statement of profit and loss which has been shown as an exceptional income during the current year and of Rs. 1,774 lacs which are related to the revalued amount of fixed assets has been credited to the revaluation reserve. Consequently, the net profit for the current year is higher by Rs. 17,709 lacs. Subsequent to the change in accounting policy w.e.f. October 1, 2013, a depreciation expense of Rs. 6,431 lacs has been charged to the statement of profit and loss and Rs. 685 lacs has been recouped from the revaluation reserve during the current year. Had the Company followed the earlier method of depreciation accounting, the expense for the current year would have been higher by Rs. 845 lacs and recoupment to revaluation reserve would have been higher by Rs. 292 lacs. Also, the previous quarters and year to date figures of the 'Depreciation and amortisation expense' are not comparable with the current quarter and year to date figures, on account of change in method of depreciation accounting.

The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to March 31, 2014 and the unaudited published year-to-date figures up to December 31, 2013, being the date of the end of the third quarter of the financial year which were subjected to limited review.

The necessary certificate in respect of the above results in terms of requirement of clause 41 of the listing agreement, has been placed before the Board of Directors.

Previous period / year figures have been regrouped/ reclassified to make them comparable with those of current Quarter.

The above results are also available on the Company's website viz. <http://www.panacea-biotec.com>.

For and on behalf of the Board

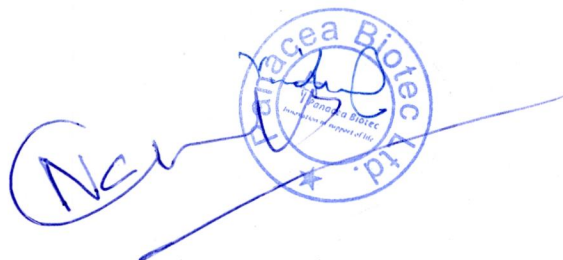
New Delhi  
May 30, 2014

Dr. Rajesh Jain  
Joint Managing Director

**Panacea Biotec Limited**

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

CIN: L33117PB1984PLC022350 - Website: <http://www.panacea-biotec.com> - E-mail: [Corporate@panacea-biotec.com](mailto:Corporate@panacea-biotec.com)

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "Panacea Biotec Ltd." around the perimeter and "Panacea Biotec" in the center. There is also a small star symbol at the bottom of the stamp.