

**Unaudited Financial Results
for the Quarter ended 30th June,2009**

Particulars	(Rs. in Lacs)		
	For Quarter ended		For Year Ended
	30.06.09 (Unaudited)	30.06.08 (Unaudited)	31.03.09 (Audited)
1. (a) Net Turnover / Income from Operations	17,721	22,448	77,342
(b) Other Operating Income	364	249	720
Total Income	18,085	22,697	78,062
2. Expenditure			
a. (Increase)/decrease in stock in trade and work in progress	(2,723)	1,319	(4,469)
b. Consumption of materials	9,283	6,225	29,520
c. Purchase of traded goods	407	429	1,559
d. Manufacturing & Administrative Exp.	1,779	1,432	8,062
e. Employees cost	2,312	2,322	9,161
f. Depreciation	1,605	1,373	7,051
g. Other expenditure	2,458	4,725	14,732
h. Total	15,121	17,825	65,616
3.Profit from Operations before other income, Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional items (1-2h)	2,964	4,872	12,446
4. Other Income	127	282	1,877
5. Profit before Interest, Foreign Exchange Fluctuation Gain/ (Loss)& Exceptional Items (3+4)	3,091	5,154	14,323
6. Interest	979	484	3,211
7. Unrealised Exchange Fluctuation Gain/ (Loss)	-	-	(17,507)
8. Profit after Interest but before Exceptional Items (5-6+7)	2,112	4,670	(6,395)
9. Exceptional items	-	-	2,842
10. Profit / (Loss) from Ordinary Activities before tax (8-9)	2,112	4,670	(9,237)
11. Tax expenses	809	1,265	(2,332)
12. Net Profit / (Loss) from Ordinary Activities after tax (10-11)	1,303	3,405	(6,905)
13. Extraordinary items (net of tax expenses)	-	-	-
14. Net Profit / (Loss) for the period (12-13)	1,303	3,405	(6,905)
15. Paid up equity share capital (face value of Re.1 per share)	668	668	668
16. Reserves excluding Revaluation Reserves			60,847
17. Earning Per Share (EPS)			
Basic	1.95	5.11	(10.35)
Diluted	1.84	4.78	(10.35)
18. Public shareholding			
- No. of shares	20,904,386	23,247,606	21,391,047
- Percentage of shareholding	31.27	34.78	32.00
19. Promoters and promoter group Shareholding			
a) Pledge / Encumbered			
- Number of Shares	Nil	Nil	Nil
- % of Shares (as a % of the total shareholding of promoter & promoter group)	N.A.	N.A.	N.A.
- % of Shares (as a % of the total Share Capital of the Company)	N.A.	N.A.	N.A.
b) Non-encumbered			
- Number of Shares	45,938,360	43,595,140	45,451,699
- % of Shares (as a % of the total shareholding of promoter & promoter group)	100	100	100
- % of Shares (as a % of the total Share Capital of the Company)	68.73	65.22	68.00

Unaudited Segment-wise Revenue , Results, and Capital Employed

Particulars	For Quarter ended			For Year Ended
	30.06.09 (Unaudited)	30.06.08 (Unaudited)	31.03.09 (Audited)	
	1. Segment Revenue			
(a) Vaccines	12,085	15,967	54,761	
(b) Formulations	5,721	6,670	22,873	
(c) Research & Development	-	3	17	
(d) Unallocated	279	57	411	
Gross Sale/Income from Operation	18,085	22,697	78,062	
Less : Inter Segment Revenue	-	-	-	
Net Sales/Income from Operations	18,085	22,697	78,062	
2. Segment Results Profit (+) before tax and interest from each segment				
(a) Vaccines	5,113	7,919	26,618	
(b) Formulations	1,326	2,253	4,669	
(c) Research & Development	(1,548)	(1,464)	(6,682)	
(d) Unallocated	-	-	-	
Total	4,891	8,708	24,605	
Less : i) Interest	979	484	3,211	
ii) Other Un-allocated Expenditure net off Un-allocated income.	1,800	3,554	30,631	
Total Profit Before Tax	2,112	4,670	(9,237)	
3. Capital Employed (Segment assets-Segment Liabilities)				
(a) Vaccines	77,839	43,687	73,520	
(b) Formulations	14,470	17,006	13,659	
(c) Research & Development	21,553	17,721	20,779	
(d) Unallocated	(51,044)	(5,288)	(46,443)	
Total Capital Employed	62,818	73,126	61,515	

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

**Unaudited Financial Results
for the Quarter ended 30th June,2009**

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 29th July, 2009 and 30th July, 2009, respectively.
2. Tax expense includes provision for income tax, fringe benefit tax and deferred tax.
3. The Company's Share Transfer Books and Register of Members will remain closed from Wednesday, 23rd September, 2009 to Friday, 25th September, 2009 (both days inclusive) for the purpose of Annual General Meeting scheduled to be held on Friday, 25th September, 2009, in compliance of clause 16 of the Listing Agreement.
4. During the quarter, the Company has launched new products MIMCIPAR 30 & 60 Tablets (for the treatment of SHPT & CKD on Dialysis) & MYCEPT 750MG Tablets (Immunosuppressant for Post Transplant Management), EASY FIVE 5 Dose in VIALS 2.5 ML (for the Prevention of Hepatitis B, Haemophilus influenzae, Diphtheria, Tetanus and Pertussis), KINGBETA 25.50 & AM Tablets (for the Treatment of Hypertension, Heart Failure & Coronary Artery Disease) & OPENOS Tablets (for the treatment of Allergic Rhinitis), ValueCef Dry Syrup 30ml (for the Treatment of UTI & URTI in Pediatrics Patients), ValueCef 50 DT Tablet (for the Treatment of UTI & URTI in Pediatrics Patients) and JAIHO Tablets (for the treatment of Low Back Pain).
5. During the quarter, the Company has invested an amount of Rs.23.7 Lac (US \$ 50,000) towards capital contribution in its wholly-owned subsidiary company, Panacea Biotec Inc., USA and Rs 239.71 Lac towards payment of call money in respect of shares held in its Indian subsidiary, Umkal Medical Institute Pvt. Ltd.
6. During the quarter, the Company's indirect subsidiary Panacea Biotec (International) SA has set-up a subsidiary, viz. Panacea Biotec (Europe) AG in Switzerland for marketing of products in Europe.
7. The shareholders and creditors of the Company's JV company, Cambridge Biostability Ltd., U.K. (CBL), have, in view of CBL's adverse financial condition, decided for its winding-up by way of Creditors' Voluntary Liquidation and have appointed Liquidator of the Company for the same in their meeting held in June, 2009.
8. As regards the Auditors' observations in their report on the Audited Accounts for the Financial Year 2008-09:
 - 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 ended June 30, 2009, amounting to Rs.401 Lac has also not been provided. The total unprovided redemption premium for period upto June 30, 2009 amounts to Rs.4,851 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 amounting to Rs.1,240 Lac for Financial Year 2008-09 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.128 Lac towards above said expenditure on clinical trials during quarter ended June 30, 2009, respectively, has also been capitalised on similar grounds. The total amount of such capitalisation upto June 30, 2009 is Rs.4,397 Lac.
 - iii) With regard to payment of managerial remuneration of Rs.382 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 amount paid as managerial remuneration to Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Dr. Rajesh Jain, Joint Managing Director and Mr. Sandeep Jain, Joint Managing Director has exceeded the above limits due to unexpected inadequacy of profits during the financial year 2008-09. The Company has filed necessary applications for the approval of Central Government for protecting their remuneration as approved earlier by shareholders.
9. As regards the Auditors' observations in their limited review report on the above results in respect of non-provision of unrealised foreign exchange gain of Rs.3,727 lacs on outstanding forward contracts amounting to USD 121 million as at 30th June,09, the management is of the opinion that since market exchange rate on the various settlement dates is not certain, the unrealised gain/loss is contingent in nature. The unrealised foreign exchange gain/loss, if any will be considered appropriately at year end.
10. The Statutory auditors have also carried out limited review of these results and have given their observations in their report in respect of para 8(i), (ii), (iii) & 9 above.
11. Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [0]; Received [3]; Disposed [3]; Closing [0].
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.

For and on behalf of the Board

New Delhi

July 30, 2009

Dr. Rajesh Jain
(Joint Managing Director)

Panacea Biotec Ltd.

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