

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

Financial Results

Particulars	(Rs. in Lacs)							
	Standalone quarter ended			Standalone year ended		Consolidated year ended		
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	
(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
PART - I								
1. Income from operations								
a. Net sales / income from operations (net of excise duty)	8,998	15,298	33,993	68,838	1,13,046	69,780	1,14,342	
b. Other operating income	97	218	500	1,220	2,193	1,345	2,702	
Total income from operations (net)	9,095	15,516	34,493	70,058	1,15,239	71,125	1,17,044	
2. Expenditure								
a. Cost of materials consumed	1,191	2,779	11,135	30,239	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	573	2,907	3,168	9,187	10,793	(11,977)	11,088	
g. Other expenses	6,088	3,124	2,747	15,786	9,373	16,103	10,002	
Total expenses	18,292	20,340	29,689	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	(12,246)	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	(25,525)	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	-	-	-	42,285	63,068	43,858	64,271	
20. Earning per share (EPS)								
- Basic (in Rs.)	(19.46)	(11.71)	6.95	(33.92)	21.35	(32.84)	22.98	
- Diluted (in Rs.)	(19.46)	(11.71)	6.95	(33.92)	21.35	(32.84)	22.98	
PART - II								
A. Particulars of shareholding								
1. Public shareholding								
- No. of shares	1,54,27,192	1,54,06,396	1,53,64,465	1,54,27,192	1,53,64,465	1,54,27,192	1,53,64,465	
- 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	4,58,23,554	4,58,24,254	4,58,48,281	4,58,23,554	4,58,48,281	4,58,23,554	4,58,48,281	
- % 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	74.86	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	(Rs. in Lacs)							
	Standalone quarter ended			Standalone year ended		Consolidated year ended		
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	
(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(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 sale/income from operation	9,095	15,516	34,493	70,058	1,15,239	71,125	1,17,044	
Less: Inter segment revenue	-	-	-	-	-	-	-	
Net sales/income from operations	9,095	15,516	34,493	70,058	1,15,239	71,125	1,17,044	
2. Segment results								
Profit (+)/ loss (-) before tax and interest from each segment								
(a) Vaccines	(2,061)	(1,620)	10,072	944	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	9,526	4,729	
ii) Other un-allocated expenditure net off un-allocated income	5,698	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	(25,525)	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	-	-	-	-	-	26,721	18,691	
(f) Unallocated	(45,420)	(52,199)	(54,654)	(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	

Statement of Assets & Liabilities

Particulars	(Rs. In Lacs)			
	Standaone year ended		Consolidated year ended	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
(Audited)	(Audited)	(Audited)	(Audited)	
Equity and Liabilities Shareholders' funds				
Share capital	613	613	613	613
Reserves and surplus	80,587	63,065	86,662	64,274
	81,200	63,678	87,275	64,887
Minority Interest				
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	1,85,288	1,71,778	1,94,946	1,73,386
Assets				
Non current assets				
Fixed assets				
Tangible assets	95,434	53,463	1,14,265	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	-	-	362	347
Non-current investments	25,847	23,294	3,091	5,657
Long-term loans and advances	8,217	10,465	9,845	5,589
Trade receivables	-	-	375	-
Other non current assets	12	9	654	330
	1,38,913	99,004	1,42,550	91,940
Current assets				
Current Investments	-	-	160	10
Trade receivables	6,645	27,884	6,463	27,557
Inventories	33,973	36,801	38,497	41,063
Cash and bank balances	1,133	3,938	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	1,85,288	1,71,778	1,94,946	1,73,386

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 **Panagraf 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 Baddi, 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. 205 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: i) 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. ii) 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. iii) a) 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. b) 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 prequalified vaccines. 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 'Pharmathene 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., Radicura & Co. Ltd., Panacea Education Institute Pvt. Ltd., Panacea Hospitality Services Pvt. Ltd., Sunanda Steel Company Ltd., Best on Health