

Audited Financial Results for the Year ended 31st March, 2006

(Rs. in Lac)

Particulars	For 9 months ended 31.12.05 (Unaudited)	For the quarter ended		For the year ended		Consolidated year ended	
		31.03.2006 (Unaudited)	31.03.2005 (Unaudited)	31.03.2006 (Audited)	31.03.2005 (Audited)	31.03.2006 (Audited)	31.03.2005 (Audited)
Sales	41,050	13,747	8,775	54,797	33,576	55,352	33,815
Less: Excise Duty	927	235	262	1,162	1,022	1,162	1,022
Income from Operations	40,123	13,512	8,513	53,635	32,554	54,190	32,793
Other Income	328	381	50	709	545	722	560
Total Income	40,451	13,894	8,563	54,345	33,099	54,912	33,353
(Increase) / Decrease in Stocks	2,818	(2,788)	(710)	30	(3,541)	130	(3,470)
Consumption of Materials & bought outs	17,497	9,227	5,096	26,724	19,183	26,649	19,215
Manufacturing Expenses	1,361	757	414	2,118	1,737	2,214	1,915
Personnel Expenses	2,589	999	866	3,588	3,074	3,890	3,167
Others	6,191	2,495	1,404	8,686	5,433	8,941	5,542
Total Expenditure	30,456	10,690	7,070	41,146	25,886	41,823	26,369
Financial Expenses	813	520	321	1,333	1,140	1,333	1,141
Gross Profit after Interest but before Depreciation & Tax	9,182	2,684	1,172	11,866	6,073	11,756	5,843
Depreciation	1,286	536	381	1,822	1,625	1,864	1,661
Operating Profit before Tax & Extra-ordinary Items	7,896	2,148	791	10,044	4,448	9,891	4,182
Extra-ordinary Items/Prior Period Expenses	10	13	(61)	23	155	23	156
Profit before Tax	7,886	2,135	852	10,021	4,293	9,868	4,026
Provision for taxation	1,983	576	(52)	2,559	684	2,573	691
Deferred Tax Liabilities/ (Assets)	837	280	168	1,117	603	1,112	605
Fringe Benefits Tax	120	130	-	250	-	258	-
Net Profit	4,946	1,148	736	6,094	3,006	5,925	2,730
Paid-up Share Capital							
Equity (Face Value Re 1/- per Share)	571	571	571	571	571	571	571
Preference (Face Value Rs.10/- per Share)	9,043	9,043	9,043	9,043	9,043	9,043	9,043
Reserves & Surplus				15,460	11,924	14,954	11,586
E.P.S. (Rs.) before extra-ordinary item - Basic	8.06	1.80	1.28	9.86	4.59	9.57	4.10
E.P.S. (Rs.) after extra-ordinary item - Basic	8.06	1.80	1.38	9.86	4.40	9.57	3.91
E.P.S. (Rs.) before extra-ordinary item - Diluted	8.06	1.58	1.28	9.64	4.59	9.36	4.10
E.P.S. (Rs.) after extra-ordinary item - Diluted	8.06	1.58	1.38	9.64	4.40	9.36	3.91
Aggregate of Non-Promoters' Shareholding							
Number of Shares	13,584,000	13,584,000	12,910,000	13,584,000	12,910,000		
Percentage of holding	23.74	23.74	22.62	23.74	22.62		

Audited Segment wise Revenue, Results and Capital employed

(Rs. in Lac)

Particulars	For 9 months ended 31.12.05 (Unaudited)	For the quarter ended		For the year ended		Consolidated year ended	
		31.03.2006 (Unaudited)	31.03.2005 (Unaudited)	31.03.2006 (Audited)	31.03.2005 (Audited)	31.03.2006 (Audited)	31.03.2005 (Audited)
Segment Revenue							
A. Vaccines	29,839	10,830	6,613	40,669	21,991	41,224	22,078
B. Formulations	10,211	2,754	1,855	12,965	10,850	12,965	11,015
C. Research & Development	129	10	17	139	74	139	74
Gross Sales/ Income from Operations	40,179	13,594	8,485	53,773	32,915	54,328	33,167
Less: Inter Segment Revenue	-	-	-	-	-	-	-
Net Sales/ Income from Operations	40,179	13,594	8,485	53,773	32,915	54,328	33,167
Segment Results							
A. Vaccines	12,192	3,830	2,193	16,022	7,977	15,840	7,560
B. Formulations	1,855	363	314	2,218	1,466	2,218	1,618
C. Research & Development	(1,830)	(840)	(463)	(2,670)	(1,345)	(2,670)	(1,345)
Total	12,217	3,353	2,044	15,570	8,098	15,388	7,833
Less: Interest & Financial Charges	895	438	322	1,333	1,141	1,335	1,141
Unallocated Overheads net of unallocated income	3,426	767	931	4,193	2,509	4,162	2,511
Extra-ordinary Item/Prior Period Items	10	13	(61)	23	155	23	156
Total Profit Before Tax	7,886	2,135	852	10,021	4,293	9,868	4,025
Capital Employed							
A. Vaccines	9,950	19,976	23,891	19,976	23,891	19,808	24,364
B. Formulations	10,110	14,493	8,687	14,493	8,687	14,493	8,801
C. Research & Development	5,738	7,654	2,911	7,654	2,911	7,654	2,911
Capital employed in Segments	25,798	42,123	35,489	42,123	35,489	41,955	36,076
Add: Unallocable Assets Less Liabilities	381	(17,047)	(14,095)	(17,047)	(14,095)	(17,386)	(14,877)
Total Capital employed	26,179	25,076	21,394	25,076	21,394	24,569	21,199

Notes:

- The above financial results were reviewed by the Audit Committee of the Board and taken on record by the Board of Directors at their meetings held on 22nd May, 2006.
- The Board of Directors has recommended 100% dividend (Re 1/- per Share) for the financial year 2005-06 on the Equity Share Capital of the Company.
- The Board has not recommended any further dividend for the year 2005-06 on 4.5% Preference Share Capital, as the full contracted dividend, i.e. 4.5% has already been paid as interim dividend, as declared by the Board on 25th March, 2006.
- The Company has successfully raised an amount of US\$100 Million by way of issue of Foreign Currency Convertible Bonds (FCCBs) during February, 2006. An amount of Rs.29 Crore (US\$ 6.34 Million) has been utilised during the quarter. An amount of Rs.1 Crore (US\$ 0.24 Million) was lying in the Bank Account in India and as per FEMA Guidelines, pending utilisation, the balance funds have been invested in Fixed Deposits with Bank outside India.
- The Company's Pharmaceutical Formulation Facility at Baddi, Himachal Pradesh has commenced operations during April, 2006. The facility has been set-up in compliance with the requirements of US FDA, UK MHRA, WHO and other international standards.
- The Company's 3rd R&D Centre at Mohali, Punjab focussing on Drug Discovery became operational in April, 2006.
- The Company has launched FOSBAIT (Lanthanum Carbonate) Tablets (for Renal disease management), during the quarter.
- The Company's joint venture Company - Chiron Panacea Vaccines Pvt. Ltd., has registered a turnover of Rs.21.11 Crore and net profit of Rs.1 Crore in its first full year of operations. The JV Company now commands 18% market share in the paediatric combination vaccines segment in India.
- The Consolidated Financial Results have been prepared by consolidating Audited Annual Accounts for the financial year 2005-06 of its subsidiaries, viz. Radicura & Co. Ltd. and Best On Health Ltd. and Joint Venture Company Panheer Biotec Pvt. Ltd. and Unaudited Annual Accounts of Joint Venture Company, Chiron Panacea Vaccines Pvt. Ltd. Though the Annual Accounts of this Joint Venture Company have been finalised, the same are pending approval of their Board of Directors as its Board Meeting is scheduled to be held in June'06.
- The Company has changed the accounting policy of inventory valuation in case of raw and packing materials from FIFO to moving average method. As a result of this change, the value of closing stock of raw & packing materials is lower by Rs. 2.21 Crore and the profits for the year are lower to that extent. The previous period's figures of inventory have not been restated.
- The other expenses during the year include provision for doubtful debts & advances of Rs 11.07 Crore.
- Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [0]; Received [1]; Disposed [1]; Closing [0].
- The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.

New Delhi
May 22, 2006

Panacea Biotec Ltd.

Regd. Office : Ambala-Chandigarh Highway, Lalru- 140501, Punjab
Website : <http://www.panacea-biotec.com>

For and on behalf of the Board

Soshil Kumar Jain
Chairman

