

Particulars	For Quarter ended		For Half Year ended		For Year Ended
	30.09.10	30.09.09	30.09.10	30.09.09	31.03.10
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. (a) Net Turnover / Income from Operations	25,257	16,581	50,647	34,302	88,437
(b) Other Operating Income	367	301	818	665	2,540
Total Income	25,624	16,882	51,465	34,967	90,977
2. Expenditure					
a. (Increase)/decrease in stock in trade and work in progress	(2,545)	(2,254)	745	(4,977)	(5,148)
b. Consumption of materials	13,048	9,033	21,357	18,316	50,149
c. Purchase of traded goods	677	510	1,214	917	1,801
d. Manufacturing & Administrative Exp.	2,878	2,047	5,253	3,826	8,639
e. Employees cost	3,088	2,708	5,939	5,020	9,902
f. Depreciation	1,846	1,617	3,583	3,222	6,645
g. Other expenditure	2,840	2,391	5,174	4,523	10,163
h. Total	21,832	16,052	43,265	30,847	82,151
3. Profit from Operations before other income, Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional items (1-2h)	3,792	830	8,200	4,120	8,826
4. Other Income	414	125	540	252	537
5. Profit before Interest, Foreign Exchange Fluctuation Gain / (Loss) & Exceptional Items (3+4)	4,206	955	8,740	4,372	9,363
6. Interest	1,140	1,001	1,996	1,980	3,827
7. Exchange Fluctuation Loss/ (Gain)	211	(349)	350	(23)	(6,272)
8. Profit after Interest but before Exceptional Items (5-6-7)	2,855	303	6,394	2,415	11,808
9. Exceptional items	-	-	-	-	-
10. Profit / (Loss) from Ordinary Activities before tax (8-9)	2,855	303	6,394	2,415	11,808
11. Tax expenses	1,168	90	1,452	899	3,806
12. Net Profit / (Loss) from Ordinary Activities after tax (10-11)	1,687	213	4,942	1,516	8,002
13. Extraordinary items (net of tax expenses)	-	-	-	-	-
14. Net Profit / (Loss) for the period (12-13)	1,687	213	4,942	1,516	8,002
15. Paid up equity share capital (face value of Re.1 per share)	613	668	613	668	668
16. Reserves excluding Revaluation Reserves					68,982
17. Earning Per Share (EPS) - Basic	2.71	0.32	7.58	2.27	11.98
- Diluted	2.52	0.30	7.08	2.13	11.22
18. Debt Equity Ratio	0.95	-	0.95	0.83	0.70
19. Debt Service Coverage Ratio	5.86	-	5.86	2.48	5.71
20. Interest Coverage Ratio	6.00	-	6.00	3.89	5.86
21. Public shareholding					
- No. of shares	15,317,912	20,908,344	15,317,912	20,908,344	20,904,912
- Percentage of shareholding	25.01	31.28	25.01	31.28	31.27
22. Promoters and promoter group Shareholding					
a) Pledge / Encumbered					
- Number of Shares	38,000	Nil	38,000	Nil	38,000
- % of Shares (as a % of the total shareholding of promoter & promoter group)	0.08	N.A.	0.08	N.A.	0.08
- % of Shares (as a % of the total Share Capital of the Company)	0.06	N.A.	0.06	N.A.	0.06
b) Non-encumbered					
- Number of Shares	45,899,834	45,934,402	45,899,834	45,934,402	45,899,834
- % of Shares (as a % of the total shareholding of promoter & promoter group)	99.92	100	99.92	100	99.92
- % of Shares (as a % of the total Share Capital of the Company)	74.93	68.72	74.93	68.72	68.67

Unaudited Segment-wise Revenue , Results, and Capital Employed

Particulars	For Quarter ended		For Half Year ended		For Year Ended
	30.09.10	30.09.09	30.09.10	30.09.09	31.03.10
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue					
(a) Vaccines	16,981	10,504	34,657	22,589	65,296
(b) Formulations	8,450	6,132	16,318	11,853	24,173
(c) Research & Development	-	-	-	-	10
(d) Unallocated	193	246	490	525	1,498
Gross Sale/Income from Operation	25,624	16,882	51,465	34,967	90,977
Less : Inter Segment Revenue	-	-	-	-	-
Net Sales/Income from Operations	25,624	16,882	51,465	34,967	90,977
2.Segment Results Profit (+) before tax and interest from each segment					
(a) Vaccines	5,342	3,322	10,252	8,435	17,766
(b) Formulations	1,983	909	4,489	2,235	4,173
(c) Research & Development	(1,846)	(1,769)	(3,503)	(3,317)	(7,521)
(d) Unallocated	-	-	-	-	-
Total	5,479	2,462	11,238	7,353	14,418
Less : i) Interest	1,140	1,001	1,996	1,980	3,827
ii) Other Un-allocated Expenditure net off Un-allocated income.	1,484	1,158	2,848	2,958	(1,217)
Total Profit Before Tax	2,855	303	6,394	2,415	11,808
3. Capital Employed (Segment assets-Segment Liabilities)					
(a) Vaccines	75,372	77,030	75,372	77,030	72,029
(b) Formulations	20,627	15,288	20,627	15,288	16,635
(c) Research & Development	21,922	18,196	21,922	18,196	19,008
(d) Unallocated	(54,217)	(47,184)	(54,217)	(47,184)	(38,041)
Total Capital Employed	63,704	63,330	63,704	63,330	69,631

Statement of Assets & Liabilities

Particulars	For Half Year ended	
	30.09.10	30.09.09
	(Unaudited)	(Unaudited)
1. Shareholders' Funds		
a) Share Capital	613	668
b) Reserves & Surplus	63,022	62,662
	63,634	63,330
2. Loan Funds	97,673	73,699
3. Deferred Tax Liability	8,043	3,909
4. Foreign Currency Monetary Item Translation Difference Account	81	(282)
Total	169,431	140,656
5. Fixed Assets	68,622	67,442
6. Investments	22,964	22,146
7. Current Assets, Loans & Advances:		
a) Inventories	43,803	48,605
b) Sundry Debtors	19,111	9,609
c) Cash & Bank Balances	11,643	3,448
d) Other Current Assets	758	782
e) Loans & Advances	14,941	27,474
	90,256	89,918
Less: Current Liabilities and Provisions		
a) Liabilities	10,419	12,204
b) Provisions	2,003	26,682
	12,422	38,886
Net Current Assets	77,834	51,032
8. Misc Expenditure (to the extent not written off)	11	36
Total	169,431	140,656

New Delhi
November 9, 2010

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

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

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 8th November, 2010 and 9th November, 2010, respectively.
2	Tax expense includes provision for income tax and deferred tax.
3	The Company commenced its Buy-back offer on 21st July, 2010 for purchase of not more than 5,592,000 Equity Shares at a maximum price of Rs.229 per Share from its existing shareholders from the open market through Stock Exchanges. The Company has bought back the entire 5,592,000 Equity Shares at an average price of Rs.196.39 per share by utilising an amount of Rs.10,982.02 Lacs under such Buy-back offer which closed on 15th October, 2010.
4	During the quarter, the Company has launched new products namely METLONG V 0.2 Tablets (Anti Diabetic), CORTON Syrup (Cough Syrup), BETAGLIM M2 DS Tablet (Diabeto Diabetics), PRO SEVENTY (Protein for Dialysis Patients), EPOTRUST 10000 (For Increasing RBC), ENBA CAPSULES (Anti Ulcer), RAMY 24 Capsules (Antyhypertension & CV Protection), GLIZID TOTAL - P (Anti Diabetic) & BEMUSTIN INJECTION (CNL disease (Blood cancer)).
5	During the quarter, the Company has paid Rs.141.01Lacs towards call money in respect of shares held in its Indian subsidiary, Umkal Medical Institute Pvt. Ltd. and provided a loan of US\$ 400,000 (Rs.185.16 Lacs) to its overseas Wholly-owned Subsidiary namely Rees Investments Limited.
6	During the quarter, the Company's indirect subsidiary Panacea Biotec (International) SA has set-up a wholly-owned subsidiary, viz. Panacea Biotec Germany GmbH in Germany.
7	During the quarter, the Company has paid a dividend of Re.0.25 (25%) per equity shares (face value of Re.1) amounting to Rs.156.01 Lacs on 62,403,901 Equity Shares of the Company outstanding as on date of commencement of book closure for the purpose of declaration of dividend.
8	As regards the Auditors' observations in their report on the Audited Accounts for the Financial Year 2009-10:
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 September 30, 2010, amounting to Rs.410.58 Lacs has also not been provided. The total unprovided redemption premium for period upto September 30, 2010 amounts to Rs.6,466.57 Lacs. 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 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.84.66 Lacs towards above said expenditure on clinical trials during quarter ended September 30, 2010, has also been capitalised on similar grounds. The total amount of such capitalisation upto half year ended September 30, 2010 is Rs.4,984.64 Lacs.
iii)	With regard to payment of managerial remuneration of Rs.381.70 Lacs 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 Company sought approval of the Central Government for such remuneration. While the approvals to the extent of Rs.146.19 Lacs of excess remuneration in respect of Joint Managing Directors have already been received, the requisite approvals for waiver of balance amount of excess remuneration of Rs.235.51 Lacs are awaited.
9	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) above.
10	Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [0]; Received [1]; Disposed [1]; Closing [0].
11	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.
12	The paid up share capital and public shareholding has been arrived at after taking into account 428,659 shares bought back by the Company and lying in Corporate Beneficiary Depository Account pending for extinguishment thereof and 55,000 shares bought back but pending delivery in the said account till 30.09.2010.
13	Comparative amounts in the statement of assets and liabilities have not been reviewed by the auditors .
14	The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.

For and on behalf of the Board

**New Delhi
November 9, 2010**

**Dr. Rajesh Jain
Joint Managing Director**

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