

Limited Review Report

To

The Board of Directors

Panacea Biotec Limited

1. We have reviewed the accompanying statement of unaudited financial results of Panacea Biotec Limited ('the Company') for the quarter ended September 30, 2011 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. a.) Without qualifying our conclusion, we draw attention to Note 9 (i) of accompanying unaudited financial results regarding capitalization of expenditure on clinical trials amounting to Rs. 178 lacs for quarter ended September 30, 2011 and Rs. 6,391 lacs as of September 30, 2011. The ultimate approval of such products, which has been considered as highly likely by the management, is not within direct control of the entity. No adjustments have been made to the accompanying statement of results in view of above.

b.) Without qualifying our conclusion, we draw attention to Note 9 (ii) of accompanying unaudited financial results regarding delisting of Company's DTP-based combination vaccines by WHO from its list of pre-qualified vaccines. The Company has initiated steps in order to get these products re-listed in the list of prequalified vaccines of WHO. Pending outcome of the above measures, no adjustments have been made to the accompanying statement of results.



S.R. BATLIBOI & CO.

Chartered Accountants

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



For S. R. Batliboi & Co.

Firm registration number: 301003E

Chartered Accountants



per Rajiv Goyal

Partner

Membership No.: 94549



Place : Gurgaon, Haryana

Date : October 21, 2011