

Limited Review Report

Review report to

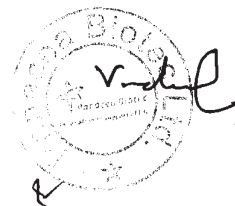
The Board of Directors

Panacea Biotec Limited

1. We have reviewed the accompanying statement of unaudited financial results of Panacea Biotec Limited ('the Company') for the quarter ended June 30, 2013 (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. Without qualifying our conclusion, we draw attention to:
 - a.) Note 7 (i) of accompanying unaudited financial results regarding the managerial remuneration of Rs.372 lacs for the financial year ending March 31, 2013, which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956, by Rs.132 lacs. The Company has filed application to obtain approval from Central Government in respect to excess remuneration paid. Pending outcome of the application filed with respect to the balance excess remuneration, no adjustments have been made to the accompanying statement of unaudited financial results.
 - b.) Note 7 (ii) of accompanying unaudited financial results regarding delisting of Company's DTP-based combination vaccines by World Health Organization (WHO) from its list of pre-qualified vaccines. Company has stock of raw & packing material and finished goods of Rs. 2,093 lacs and Rs. 6,394 lacs respectively as at June 30, 2013 of these vaccines which is considered saleable by the management. Further impact if any, of the delisting above products on fixed assets cannot be separately quantified. As mentioned in the said note, the Company has been taking 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 unaudited financial results.



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S.R. BATLIBOI & Co. LLP

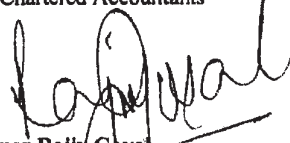
Chartered Accountants

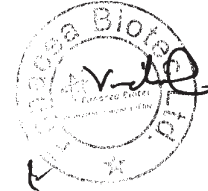
- c) Note 8 of accompanying unaudited financial results regarding the managerial remuneration of Rs. 92.4 lacs for the quarter ended June 30, 2013, which is likely to exceed the limits specified by the relevant provisions of the Companies Act, 1956, on account of losses incurred during the current quarter. As represented to us by the management, the Company has filed requisite application for obtaining approval from Central Government for excess Remuneration, if any, in the event of inadequate profits/losses during the current financial year ending March 31, 2014. Pending resolution of the same, no adjustments have been made to the accompanying statement of unaudited financial results.
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. LLP

ICAI Firm registration number: 301003E

Chartered Accountants


per Rajiv Goyal
Partner



Membership No.: 94549

Place: Gurgaon, Haryana

Date: August 8, 2013

