



Panacea Biotec
Innovation in support of life

Statement of unaudited financial results for the quarter/ half year ended on September 30th, 2014

(Rs. in Lacs)

Particulars	For quarter ended			For Half Year Ended		For year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.3.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
PART - I						
1. Income from operations						
a. Net sales / income from operations (net of excise duty)	15,564	13,150	10,073	28,714	20,519	48,714
b. Other operating income	294	1,941	936	2,235	2,253	3,589
Total income from operations (net)	15,858	15,091	11,009	30,949	22,772	50,303
2. Expenditure						
a. Cost of materials consumed	5,512	3,063	7,212	8,575	13,602	19,658
b. Purchase of stock in trade	630	547	594	1,177	1,283	2,239
c. (Increase)/Decrease in inventories	371	1,128	(6,328)	1,499	(9,467)	(1,089)
d. Employees benefits expense	3,340	3,324	3,593	6,664	7,265	14,273
e. Depreciation and amortisation expense	1,555	1,544	1,850	3,099	3,746	6,880
g. Other expenses	4,634	3,931	6,053	8,565	11,213	24,671
Total expenses	16,042	13,537	12,974	29,579	27,642	66,632
3. (Loss)/Profit from operations before other income, finance cost & exceptional items (1-2)	(184)	1,554	(1,965)	1,370	(4,870)	(16,329)
4. Other income	540	31	20	571	45	1,164
5. (Loss)/Profit from ordinary activities before finance cost & exceptional items (3+4)	356	1,585	(1,945)	1,941	(4,825)	(15,165)
6. Finance cost	1,038	3,939	3,682	4,977	6,894	14,579
7. (Loss)/Profit from ordinary activities after finance cost before exceptional items (5-6)	(682)	(2,354)	(5,627)	(3,036)	(11,719)	(29,744)
8. Exceptional income/(exp)	-	-	-	-	-	29,702
9. Profit / (loss) from ordinary activities before tax (7+8)	(682)	(2,354)	(5,627)	(3,036)	(11,719)	(42)
10. Tax expenses	-	-	-	-	-	-
11. Net profit / (loss) from ordinary activities after tax (9-10)	(682)	(2,354)	(5,627)	(3,036)	(11,719)	(42)
12. Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13. Net profit / (loss) for the period (11-12)	(682)	(2,354)	(5,627)	(3,036)	(11,719)	(42)
14. Paid up equity share capital (face value of Re.1 per share)	613	613	613	613	613	613
15. Reserves excluding revaluation reserves	-	-	-	-	-	17,296
16. Earning per share (EPS)						
- Basic (in Rs.)	(1.11)	(3.84)	(9.18)	(4.95)	(19.13)	(0.07)
- Diluted (in Rs.)	(1.11)	(3.84)	(9.18)	(4.95)	(19.13)	(0.07)
PART - II						
A. Particulars of shareholding						
1. Public shareholding						
- No. of shares	15,428,192	15,428,192	15,427,192	15,428,192	15,427,192	15,427,192
- Percentage of shareholding	25.19	25.19	25.19	25.19	25.19	25.19
2. Promoters and promoter group Shareholding						
a) Pledge / encumbered						
- No. of shares	-	-	-	-	-	-
- % of Shares (as a % of the total shareholding of promoter & promoter group)	-	-	-	-	-	-
- % of Shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
b) Non-encumbered						
- Number of shares	45,822,554	45,822,554	45,823,554	45,822,554	45,823,554	45,823,554
- % of Shares (as a % of the total shareholding of promoter & promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
- % of Shares (as a % of the total share capital of the Company)	74.81	74.81	74.81	74.81	74.81	74.81
B. Investor complaints						
Pending at the beginning of the quarter	-	-	-	-	-	-
Received during the quarter	2	-	-	-	-	-
Disposed of during the quarter	2	-	-	-	-	-
Remaining unresolved at the end of the quarter	-	-	-	-	-	-

Unaudited Segment-wise Revenue, Results, and Capital Employed for the quarter/ half year ended on 30.09.2014

Particulars	For quarter ended			For Half Year Ended		For year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.3.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Vaccines	4,714	5,220	573	9,934	3,377	13,334
(b) Formulations	11,076	8,326	9,864	19,402	18,022	35,239
(c) Research & development	71	1,542	575	1,613	1,373	1,730
(d) Unallocated	(3)	3	(3)	-	-	-
Gross sale/income from operation	15,858	15,091	11,009	30,949	22,772	50,303
Less: Inter segment revenue	-	-	-	-	-	-
Net sales/income from operations	15,858	15,091	11,009	30,949	22,772	50,303
2. Segment results						
Profit (+) loss (-) before tax and interest from each segment						
(a) Vaccines	(1,114)	190	(502)	(924)	(1,913)	2,901
(b) Formulations	4,500	2,529	2,253	7,029	3,672	10,834
(c) Research & development	(1,453)	203	(2,038)	(1,250)	(3,488)	(4,752)
Total	1,933	2,922	(287)	4,855	(1,739)	8,083
Less: i) Finance cost	1,043	3,934	3,682	4,977	6,894	14,579
ii) Other un-allocated expenditure net off un-allocated income	1,572	1,342	1,658	2,914	3,086	(6,454)
Total profit before tax	(682)	(2,354)	(5,627)	(3,036)	(11,719)	(42)
3. Capital Employed						
(Segment assets-segment liabilities)						
(a) Vaccines	57,768	57,075	59,196	57,768	59,196	60,020
(b) Formulations	24,272	23,177	25,096	24,272	25,096	24,360
(c) Research & development	18,996	18,378	17,845	18,996	17,845	19,431
(d) Unallocated	(48,233)	(44,807)	(60,011)	(48,233)	(60,011)	(47,582)
Total capital employed	52,803	53,823	42,126	52,803	42,126	56,229

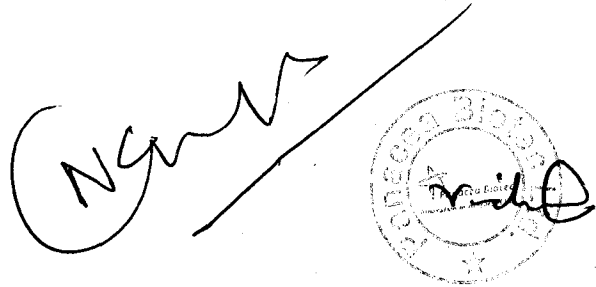
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Statement of Assets & Liabilities

(Rs. in Lacs)

Particulars	September 30,	March 31,
	2014	2014
	(Unaudited)	(Audited)
Equity and liabilities		
Shareholders' funds		
Share capital	613	613
Reserves and surplus	52,190	55,616
	52,803	56,229
Non-current liabilities		
Long term borrowings	40,866	48,013
Deferred tax liabilities (Net)	-	-
Long term provisions	1,202	202
Other long term liabilities	121	173
	42,189	48,388
Current liabilities		
Short-term borrowings	35,745	35,440
Trade payables	20,738	22,626
Other current liabilities	36,930	24,812
Short-term provisions	175	1,151
	93,588	84,029
Total	188,580	188,646
Assets		
Non current assets		
Fixed assets		
Tangible assets	103,068	105,509
Intangible assets	2,531	3,086
Capital work-in-progress	1,399	1,372
Intangible assets under development	1,242	1,236
Non-current investments	39,460	39,420
Loans and advances	9,065	8,076
Other non current assets	10	18
	156,775	158,717
Current assets		
Trade receivables	10,853	9,058
Inventories	16,198	17,676
Cash and bank balances	3,322	968
Loans and advances	1,125	1,838
Other current assets	307	389
	31,805	29,929
Total	188,580	188,646

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Panacea Biotec Limited

Notes to the unaudited financial results for the period ended 30 September 2014:

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 30 October 2014 and 31 October 2014 respectively.
2	During the quarter, the Company has launched two new products, namely Calcom Plus and RF Willgo (both for pain management in Orthopaedic segment).
3	The Company's Corporate Debt Restructuring (CDR) proposal has been approved in the CDR Empowered Group (CDR EG) meeting held on 9 September 2014 and letter of approval was received by the Company on 24 September 2014. Final implementation of the CDR package is subject to execution of Master Restructuring Agreement, which is required to be executed within 120 days from the approval date.
4	As regards Auditor's observations in their limited review report on the above results:
4(a)	The Company has received research and development (R&D) fee of INR 1,499 lacs from a customer and this has been accounted for as income in the quarter ended 30 June 2014. Such R&D fee is non-refundable subject to certain pre-conditions being met by the Company. As this product is already in the domestic market, the Company is reasonably certain of meeting the pre-conditions set out in the agreement and therefore the said fee has been accounted for accordingly.
4(b)	During the six month ended 30 September 2014, the Company has incurred losses of Rs. 3,036 lacs (Previous year Rs. 41.6 lacs after adjusting exceptional income of Rs 29,744 lacs). Further, the Company's accumulated losses have resulted in erosion of more than fifty percent of its peak net worth calculated as per the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The fact of such erosion and measures initiated to improve financial condition have already been reported to the Board for Industrial and Financial Restructuring ("BIFR") within the stipulated period. The continuous losses have also adversely affected the cash flows of the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company has undertaken several measures to mitigate the risk of going concern which include supply to UNICEF/other customers of pentavalent vaccine; certain strategic alliances with foreign collaborators for supply of vaccines and pharma products; CDR proposal which has already been approved by CDR EG (as explained in note 3 above); launch of its first product 'Tacrolimus' in USA in December 2012 and filing of more ANDAs with USFDA. The management is confident that with the above measures and continuous efforts to improve the business, it would be able to generate sustainable cash flow, recover and recoup the erosion in its net worth through profitable operations, discharge its short-term and long term liabilities and continue as a going concern.
4(c)	In view of absence of profits during financial year 2013-14 and 2012-13, total remuneration to the Managing/Joint Managing and Whole Time Director had exceeded the ceiling prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 by Rs. 135 lacs and Rs. 132 lacs respectively. Accordingly, applications for protection/approval of the Central Government of such excess remuneration have been filed and requisite approvals are awaited.
5	Finance cost for the quarter and six months ended 30 September 2014 are stated net of reversals of excess accrual of interest of Rs. 2,390 lacs.
6	The necessary certificate in respect of the above results in terms of requirement of clause 41 of the listing agreement, has been placed before the Board of Directors.
7	Previous period / year amounts have been regrouped/ reclassified to make them comparable with those of current quarter.
8	The above results are also available on the Company's website - http://www.panaceabiotec.com .

New Delhi
31 October 2014

For and on behalf of the Board
R. Jain
Dr. Rajesh Jain
Joint Managing Director

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