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Panacea Biotec to develop township?

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Panacea Biotec has been trying to find avenues to make up for its loss in revenues in the last fiscal. The company, in past one year, through its subsidiary, NewRise Healthcare, initiated the development of a 225-bed multi super-specialty hospital in Gurgaon, Haryana, with an investment of around Rs 140 core. The hospital is set to commence operations by the end of

current fiscal year. Now, again in a move that is being seen as a major shift from its core business, the company has tied up with the Gurgaon-based real estate firm Bestech Builders to develop a huge plot of land national capital area (NCR).

The land in Gurgaon where the township has been planned was held by Best On Health (BOH), Panacea's wholly owned subsidiary. Bestech Builders and along with Panacea it will hold an equal stake in the project, expected to generate revenues of over Rs 1,500 crore. Panacea, as per Economic Times (ET) initially planned to develop a biotech special economic zone (SEZ) on this property. The company has not issued any comment or any clarification in this regard.

The Economic Times report quoted Mr Sunil Satija, managing director of Bestech Group saying that his company has signed a memorandum of understanding, but the final agreement will be signed by the end of February. "We will build a residential colony on the plot. Around 75 percent of the project will comprise villas and residential units, while the remaining will be sold as plotted development," said Mr Satija.

The move comes at a time when Panacea is under pressure to put a halt to its losses that have continued to mount in the current financial year with reported net loss of Rs 62.28 crore during the third quarter ended December 2012.