

NOTICE

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting** of the Members of Panacea Biotec Ltd. will be held on **Saturday, the 29th day of September, 2012 at 11:00 A.M.** at the Registered Office of the Company at **Ambala-Chandigarh Highway, Lalru - 140 501, Punjab**, to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.

"RESOLVED THAT the Audited Balance Sheet as at March 31, 2012 and the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon be and is hereby adopted and approved."

2. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT Mr. Soshil Kumar Jain, who retires by rotation, and being eligible, has offered himself for re-appointment be and is hereby appointed as director liable to retire by rotation."

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. N.N. Khamitkar, who retires by rotation, and being eligible, has offered himself for re-appointment be and is hereby appointed as director liable to retire by rotation."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. Sunil Kapoor, who retires by rotation, and being eligible, has offered himself for re-appointment be and is hereby appointed as director liable to retire by rotation."

5. To appoint M/s. S.R. Batliboi & Co., Chartered Accountants, the retiring auditors as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

"RESOLVED THAT the retiring Auditors M/s. S.R. Batliboi & Co., Chartered Accountants be and are hereby re-appointed, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be negotiated and fixed by the Board of Directors of the Company or any committee thereof"

AS SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule XIII to the Act and pursuant to Article 115 of the Articles of Association of the Company and subject to the approval of the Central Government, the Company hereby accords its approval for ratification/ protection of payment of remuneration to Mr. Soshil Kumar Jain, Chairman of the Company, during the Financial Year 2011-12, as detailed hereunder:

a) Salary: Rs.12,00,000/- per month

b) Perquisites and allowances

1. Housing

- i) Company owned/leased furnished house with actual upkeep and maintenance expenses
- ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company
- iii) Company shall provide such furniture and furnishing as may be required by the Director.

2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.

3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.

4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.

5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.

6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.

7. Gratuity - Upto half a month's salary for each completed year of service.

8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.

9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.

10. Telephone, Telefax and other communication facilities - The Company shall provide/ reimburse expenses in respect of one or more cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.

11. Security - The Company shall provide for round the clock security at the Director's residence

RESOLVED FURTHER THAT the Company do hereby accords its approval for seeking approval of the Central Government for protection of the above said remuneration in case of inadequacy of profits during any financial year and/or waiver of excess remuneration, if any paid over and above the limits as prescribed under section 309 read with Section II of Part II of Schedule XIII to the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as the Board may consider necessary or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule XIII to the Act and pursuant to Article 115 of the Articles of Association of the Company and subject to the approval of the Central Government, the Company hereby accords its approval for ratification/ protection of payment of remuneration to Mr. Ravinder Jain, Managing Director, during the Financial Year 2011-12, as detailed hereunder:

a) Salary: Rs.12,00,000/- per month

b) Perquisites and allowances

1. Housing

- i) Company owned/leased furnished house with actual upkeep and

maintenance expenses;

ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company;

iii) Company shall provide such furniture and furnishing as may be required by the Director.

2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.

3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.

4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.

5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.

6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.

7. Gratuity - Upto half a month's salary for each completed year of service.

8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.

9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.

10. Telephone, Telefax and other communication facilities - The Company shall provide/ reimburse expenses in respect of one or more cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.

11. Security - The Company shall provide for round the clock security at the Director's residence.

RESOLVED FURTHER THAT the Company do hereby accords its approval for seeking approval of the Central Government for protection of the above said remuneration in case of inadequacy of profits during any financial year and/or waiver of excess remuneration, if any paid over and above the limits as prescribed under section 309 read with Section II of Part II of Schedule XIII to the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as the Board may consider necessary or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule XIII to the Act and pursuant to Article 115 of the Articles of Association of the Company and subject to the approval of the Central Government, the Company hereby accords its approval for ratification/ protection of payment of remuneration to Dr. Rajesh Jain, Joint Managing Director, during the Financial Year 2011-12, as detailed hereunder:

a) Salary: Rs.10,00,000/- per month

b) Perquisites and allowances

1. Housing

- i) Company owned/leased furnished house with actual upkeep and maintenance expenses;
- ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company;
- iii) Company shall provide such furniture and furnishing as may be required by the Director.

2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.

3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.

4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.

5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.

6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.

7. Gratuity - Upto half a month's salary for each completed year of service.

8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.

9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.

10. Telephone, Telefax and other communication facilities - The Company shall provide/ reimburse expenses in respect of one or more cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.

11. Security - The Company shall provide for round the clock security at the Director's residence.

RESOLVED FURTHER THAT the Company do hereby accords its approval for seeking approval of the Central Government for protection of the above said remuneration in case of inadequacy of profits during any financial year and/or waiver of excess remuneration, if any paid over and above the limits as prescribed under section 309 read with Section II of Part II of Schedule XIII to the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as the Board may consider necessary or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule XIII to the Act and pursuant to Article 115 of the Articles of Association of the Company and subject to the approval of the Central Government, the Company hereby accords its approval for ratification/ protection of payment of remuneration to Mr. Sandeep

Jain, Joint Managing Director, for the Financial Year 2011-12, as detailed hereunder:

- a) Salary: Rs.10,00,000/- per month
- b) Perquisites and allowances
 1. Housing
 - i) Company owned/leased furnished house with actual upkeep and maintenance expenses
 - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
 - iii) Company shall provide such furniture and furnishing as may be required by the Director.
 2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
 3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
 4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
 5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
 6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
 7. Gratuity - Upto half a month's salary for each completed year of service.
 8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
 9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.
 10. Telephone, Telefax and other communication facilities - The Company shall provide/ reimburse expenses in respect of one or more cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.
 11. Security - The Company shall provide for round the clock security at the Director's residence.

RESOLVED FURTHER THAT the Company do hereby accords its approval for seeking approval of the Central Government for protection of the above said remuneration in case of inadequacy of profits during any financial year and/or waiver of excess remuneration, if any paid over and above the limits as prescribed under section 309 read with Section II of Part II of Schedule XIII to the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as the Board may consider necessary or expedient to give effect to this resolution."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule XIII to the Act and pursuant to Article 115 of the Articles of Association of the Company and subject to the approval of the Central Government, the Company hereby accords its approval for ratification/ protection of payment of remuneration to Mr. Sumit Jain, Whole-time Director designated as Director Operations & Projects of the Company, during the Financial Year 2011-12, as detailed hereunder:

- a) Salary: Minimum Salary of Rs.300,000/- per month subject to a maximum of Rs.4,50,000/- per month
- b) Perquisites and allowances
 1. Housing
 - i) Company owned/leased furnished house with actual upkeep and maintenance expenses. In case rent-free accommodation is not provided, he will be entitled to house rent allowance @ 50% of salary.
 - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company;
 - iii) Company shall provide such furniture and furnishing as may be required by the Director.
 2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
 3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
 4. Group Accident and Medical Insurance Policy(ies) - As per rules of the Company.
 5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
 6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
 7. Gratuity - Upto half a month's salary for each completed year of service.
 8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
 9. Conveyance - The Company shall provide two fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other at his residence for his personal use and that of his family members and business guests.
 10. Telephone, Telefax and other communication facilities - The Company shall provide/reimburse expenses in respect of one cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.
 11. Security - The Company shall provide for round the clock security at the Director's residence.

RESOLVED FURTHER THAT the Company do hereby accords its approval for seeking approval of the Central Government for protection of the above said remuneration in case of inadequacy of profits during any financial year and/or waiver of excess remuneration, if any paid over and above the limits as prescribed under section 309 read with Section II of Part II of Schedule XIII to the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as the Board may consider necessary or expedient to give effect to this resolution."

By order of the Board
For Panacea Biotec Ltd.

Place: New Delhi
Date: 7th August, 2012

Vinod Goel
G. M. Legal & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing proxy should however, be deposited at the Registered/Corporate Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting.
3. Members/Proxies should fill the Attendance Slip and hand over the same at the entrance for attending the meeting.
4. Those who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
5. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Queries proposed to be raised at the Annual General Meeting may please be sent to the Company at its Registered/Corporate Office, at least 7 days prior to the date of Annual General Meeting to enable the Company to compile the information and answer them in the meeting.
8. The Register of Members and Share Transfer Register will remain closed from Monday, the 24th day of September, 2012 to Saturday, the 29th day of September, 2012 (both days inclusive) for the purpose of ascertaining the names of Members entitled to attend the Annual General Meeting.
9. In view of non-availability of profits during the Financial Year 2011-12, the Board of Directors has not recommended any dividend on the Equity Shares of the Company.
10. As provided in Section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2005 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund ('IEP Fund'). The unclaimed dividend in respect of financial years upto 2003-04 has already been transferred to the IEP Fund.
The information in respect of unclaimed dividend due for transfer to the IEP Fund in future is given in the Corporate Governance Report forming part of Annual Report. Shareholders, who have not yet encashed their dividend warrant(s) for such period, may send their request for revalidation of Dividend Warrant(s) or issue of duplicate Dividend Warrant(s), as the case may be, to the Company's Corporate Office immediately.
Shareholders may please note that no claims shall lie against the Company or the IEP Fund in respect of any amounts which were unclaimed or unpaid for a period of 7 years from the dates on which they first became due for payment and no payment shall be made in respect of any such claims.
11. Non-Resident Indian Shareholders are requested to inform the Company's Registrar & Transfer Agent (RTA) immediately:
 - a) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
 - b) any change in their residential status on return to India for permanent settlement.
12. The members holding shares in physical form are requested to intimate any change in their address to the Company's RTA. Those holding Shares in dematerialised form should intimate any such change to their Depository Participants.
13. The shareholders who are holding Shares in physical form and have not yet got exchanged their Share Certificates for Equity Shares of Rs.10 each, into new Share Certificate(s) in respect of sub-divided Equity Shares of Re.1 each, are requested to send the request along with the related original Share Certificate(s) immediately.
14. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants in their vicinity for getting their Shares dematerialised. In case any clarification is needed in that regard, the undersigned may be contacted in person or by communication addressed at the Corporate Office of the Company.
15. Securities and Exchange Board of India (SEBI) had directed that it shall be mandatory to furnish copy of PAN card to the Company/RTAs for registration of transfer/transmission/transposition of shares of the Company in relation to securities market transactions and off-market/private transactions in physical form of listed companies. Hence, all prospective shareholders acquiring shares in physical form are requested to provide a copy of their PAN card along with their request for registration of transfer/transmission/transposition of shares of the Company.
16. In all correspondence with the Company and/or the Registrar & Transfer Agent, members are requested to quote their folio number and in case their shares are held in the dematerialized (electronic) form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.
17. Consequent upon introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them. The shareholders holding shares in physical form and desirous of making nominations may send their nomination request in prescribed Form 2B of the Companies (General Rules & Forms), 1956, (which can be obtained from the Company's RTA or downloaded from the Company's web-site www.panaceabiotec.com) to the Company's RTA.
18. In terms of the Circulars Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, issued by the Ministry of Corporate Affairs, Government of India, allowing paperless compliance by the Companies under the Green Initiative in Corporate Governance, the Company had requested the members in previous financial year to register their email address with the Company/Depository Participants, as the case may be. The annual report for the Financial Year 2011-12 shall also be available on the Company's website, viz. www.panaceabiotec.com. The physical copy of the Annual report shall be sent to those members who have opted for the same or have not registered their email address with the Company/Depository participant. The members shall be entitled to a physical copy free of cost, upon sending a request to the Company Secretary at B-1, Extn./G-3, Mohan Co-op. Industrial Estate, Mathura Road, New Delhi - 110 044. Those members who have not yet registered their email address are requested to register it with the Company/Depository participant, for the effective compliance of the "Green Initiative".
19. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information pertaining to the Directors seeking appointment / re-appointment in the Annual General Meeting is given below:
 - a) Mr. Soshil Kumar Jain
Age : 79 years
Qualification : Qualified Pharmacist.
Professional Expertise : He has more than 55 years' experience in the pharmaceutical Industry. He is the founder promoter/director of the company and has been the Chairman of the Company since October, 1984. He started his career in the Indian pharmaceutical industry by joining his family business in the form of a chemist shop set-up by his father. Prior to promoting the company, he was associated with Radicura & Co., a partnership firm (formerly owned by the promoters of Panacea Biotec Ltd. and subsequently taken over by Radicura & Co. Ltd.) engaged in the retail and wholesale trading of pharmaceutical products.

Directorships	: He is the Chairman of PanEra Biotec Pvt. Ltd., Neophar Alipro Ltd., White Pigeon Estate Pvt. Ltd. and Adveta Power Pvt. Ltd.
Committee Membership/ Chairmanship	: He is the Chairman of Executive Committee of Panacea Biotec Limited.
Shareholding in the Company	: He holds 5,000,000 Equity Shares of Re.1 each, comprising 8.16% shareholding of the Company.
b) Mr. N.N. Khamitkar	
Age	: 71 years
Qualification	: B.E. – Electrical & Mechanical (Pune University), MBA (University of District of Columbia, Washington DC, USA) and Post Graduate Diploma in Public Administration, Indian Institute of Public Administration.
Professional Expertise	: He is a retired Govt. Official belonging to Indian Engineering Service and retired as Dy. Director General, Ministry of Home Affairs, Govt. of India, New Delhi. He has also held various senior and middle level positions in various Govt. Ministries and Offices before his retirement. His expertise lies in the field of administration, planning and procurement.
Directorships	: He is a director of Best on Health Ltd. and Blue Surmount Education.
Committee Membership/ Chairmanship	: He is a member of the Audit Committee and Remuneration Committee of Panacea Biotec Ltd.
Shareholding in the Company	: Nil
c) Mr. Sunil Kapoor	
Age	: 55 years
Qualification	: Commerce Graduate from Shri Ram College of Commerce, University of Delhi and holds a LL.B Degree from Law Faculty, University of Delhi.
Professional Expertise	: He practices as an advocate and is a member of the Delhi High Court Bar Association and Bar Association Income Tax, New Delhi.
Directorships	: He is a director of Golden Peacock Overseas Ltd., Residency Resorts Pvt. Ltd., Indo-Dan Lampshades Pvt. Ltd., GPL Exports Ltd., Bikman Constructions Pvt. Ltd., Best on Health Ltd., Residency Hospitality Services Pvt. Ltd., Hitkari Potteries Ltd. and Hitkari China Ltd.
Committee Membership/ Chairmanship	: He is a member of the Audit Committee, Remuneration Committee and Share Transfer and Investor Grievance Committee of Panacea Biotec Ltd.
Shareholding in the Company	: Nil

20. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is provided in respect of Ordinary Business set out at item no.2 and Explanatory Statement for Special Business set out at item no. 6 to 10 along with the Particulars required to be disclosed in the Explanatory Statement in accordance with provisions of clause (c) of Section II of Part II of Schedule XIII of the Companies Act, 1956 as under.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 2:

Mr. Soshil Kumar Jain, Chairman of the Company was re-appointed by the shareholders as director who is liable to retire by rotation vide passing of special resolution in the Annual General Meeting of the Company held on September 25, 2010. At the ensuing Annual General Meeting Mr. Soshil Kumar Jain is retiring by rotation and being eligible has offered himself for being re-appointed.

As per the provisions of Part I of Schedule XIII, a person who has attained the age of 70 years can be appointed as director vide passing of Special Resolution by the shareholders.

Mr. Soshil Kumar Jain has been involved in the Strategic Planning, vision and formulation of strategies for the Company. Under his able guidance Panacea Biotec has achieved newer milestones with clear focus on driving productivity and performance across all business segments of the Company. His leadership qualities have significantly boosted the revenues and profitability of the Company. He is a motivated mentor with a focused and enlightened ability to foresee the future that has enabled Panacea Biotec to grow over the years in terms of its human capital, net worth, and increased presence in newer markets, therapies and intellectual capital.

Accordingly, your directors recommend the passing of special resolution by the shareholders, so that the Company can continue to prosper under his able guidance.

Item no. 6 to 10:

Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Dr. Rajesh Jain, Joint-Managing Director and Mr. Sandeep Jain, Joint-Managing Director were re-appointed to their respective positions for a period of 5 years w.e.f. 1st April, 2011 and Mr. Sumit Jain, Whole-time Director designated as Director Operations & Projects was re-appointed for a period of 5 years w.e.f. 22nd July, 2010 on the revised terms and conditions and the remuneration has been paid to them during financial year 2010-11 in the form of monthly salary, other allowances and perquisites within the limits stipulated in the resolutions passed by the shareholders in their Annual General Meetings held on 24th September, 2011 and 25th September, 2010 respectively.

However, during the financial year 2011-12, the Company's profit targets could not be met, hence the Company has suffered losses. As per the Audited Financial Results for the Financial Year ended 31st March, 2012, the Company has incurred a net loss of Rs.2,077.9 million. The major reason for the loss is the drastic reduction in turnover from vaccine segment which has got significantly affected due to withdrawal of the Company's pentavalent vaccine from the WHO's list of prequalified vaccines for supply to UNICEF and other UN agencies. Further, there was a steep decline in demand of Pandemic flu vaccines because of World Health organization (WHO) declaring the end of the Influenza (H1N1) Pandemic and fall in Government Orders and thereby has also contributed to the decline in the revenue and the profits of the Company. Moreover, during the month of February, 2012, following the observations of WHO during site audit of Vaccine formulation facility at Okhla New Delhi, the Company has also withdrawn its Oral Polio Vaccines manufactured from this facility, from the WHO's list of pre-qualified vaccines.

The loss on this account is short term in nature and the Company has initiated corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines and is in touch with WHO in this respect. The Company is confident that with these corrective & preventive measures, the Company will be able to get re-listing of above said vaccines in the list of WHO pre-qualified vaccines in due course.

Further, as per the provisions of Section 309 of the Companies Act, 1956 read with Schedule XIII to the Act, and in terms of the shareholders' approval in their resolution dated 24th September 2011 and 25th September, 2010 in the event of loss or inadequacy of profits, the total remuneration by way of salary, perquisites and any other allowances payable to the Directors, cannot exceed the ceilings prescribed in Section II of Part II of Schedule XIII to the Act or such other limits as may be specified therein from time to time by any amendment thereto.

Therefore, due to such unexpected events leading to loss, the total remuneration of Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain, during the Financial

Year 2011-12, have exceed the individual limit of 5% of the net profits and an overall limit of 10%, as prescribed under Section 309 of the Companies Act, 1956. As losses are for reasons beyond the control of the Company and those reasons cannot be attributed to laxity in performance of the management of the Company, it is felt that any deduction on this account, from their salary, which remain perfectly in consonance with their present performance vis-a-vis. their past performance, shall be unjust.

It is to point out that the Company has been regularly achieving higher turnover levels and the profits of the Company have always been adequate except in the year 2008-09 and the present remuneration proposed to be protected has always been less than 5% of the profits of the Company for any given financial year except in 2008-09 in respect of each of the managerial personnel and less than 10% in case of all the executive managerial personnel taken together as provided under section 198 and/or 309 of the Companies Act, 1956.

Hence, your directors are of the view that any deduction in their remuneration for aforesaid reasons, will adversely affect their motivational level which is very necessary to improve the performance and to take the Company to new heights.

As such, the shareholder's approval is sought for the ratification/ protection of the remuneration paid to Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain in the manner as stipulated in the resolutions at item no. 6 to 10, respectively.

Particulars required to be disclosed in the Explanatory Statement in accordance with provisions of Clause (c) of Section II of Part II of Schedule XIII to the Act

I. General Information

1. Nature of Industry:

The Company is a public limited company, incorporated under the Act having its registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The Company is a leading research based Company engaged in research, manufacture, marketing and export of certain pharmaceutical products and vaccines having a turnover of Rs.6,883.8 million, as on 31st March 2012.

The Company occupies a niche position in the Indian health management industry through its focus on providing innovative research-based solutions for health management. The Company has well established capabilities and infrastructure in research, manufacturing and marketing of vaccines and pharmaceutical formulations. Panacea Biotec is the second largest vaccine producer and is amongst top 10 biotechnology companies in India (Source: ABLE survey year 2012). Panacea Biotec is also amongst the top 50 Pharmaceutical Companies in India (Source: ORG IMS TSA March 2012).

Panacea Biotec is a widely held listed Public Limited Company with around 10,700 shareholders and is listed on the NSE & BSE.

2. Date or expected date of commencement of commercial production:

The Company is a well-established Company having commenced its commercial manufacturing operations for the first time in the year 1989.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not Applicable.

4. Financial performance of the Company in the last three years is as under: (Rs. in million)

Financial Parameters	Year Ended as on 31st March, 2012	Year Ended as on 31st March, 2011	Year Ended as on 31st March, 2010
Sales	6883.8	11498.3	8843.7
Net Profit/ (Net Loss)	(2077.9)	1350.5	800.4
Dividend	Nil	45.9	16.7

5. Export performance and net foreign exchange:

Earnings in Foreign Currency (Rs. in million)

Particulars	Year ended as on 31st March, 2012	Year ended as on 31st March, 2011	Year ended as on 31st March, 2010
F.O.B. value of exports (including deemed exports)	3,436.5	7103.9	6465.4
R&D Services	Nil	Nil	0.9
Interest on Exchange Earnings Foreign Currency Deposits	Nil	Nil	Nil
Interest received on loan from Joint Venture Company	Nil	Nil	Nil
Interest income from subsidiary company	36.2	42.0	45.0

6. Foreign Investments or Collaborations:

The details of foreign investments in subsidiaries and joint ventures are as under:

Sl. No.	Name of the Entity	Description of Investment	Number of Shares/ Securities/ Shareholding	Amount (Rs. in million)
1	Panacea Biotec FZE, UAE	Equity	5	6.97
2	Panacea Biotec GmbH, Germany	Equity	2	1.70
3	Rees Investments Ltd., Islands of Guernsey	Equity	1000	Rs.446.00

II. Information about the appointee:

1. Mr. Soshil Kumar Jain:

Mr. Soshil Kumar Jain was re-appointed by the Board of Directors ("the Board") as Whole-time Director designated as Chairman of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution:

i) Background details: Mr. Soshil Kumar Jain is a qualified pharmacist with more than 55 years' experience in the pharmaceutical industry. He is the founder promoter/director of Panacea Biotec and has been its Chairman since October 1984. Prior to promoting Panacea Biotec, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products.

ii) Past remuneration: Mr. Soshil Kumar Jain was re-appointed as Chairman of the Company with effect from 1st April 2011, in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

Financial Year	Salary	Allowances/ Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2010-11	144.00	10.77	261.00	415.77	2.38
2009-10	144.00	9.62	-	153.62	1.34
2008-09	144.00	7.55	-	151.55	-

The remuneration paid to Mr. Soshil Kumar Jain, Chairman of the Company in 2009-10 & 2010-11 was well within the limits prescribed in Schedule XIII read with sections 198 and 309 of the Companies Act, 1956. However, for the year 2008-09, approval of the Central Government was obtained for the waiver of recovery of remuneration which was paid in excess of the limits prescribed under the provisions of Schedule XIII, for Rs.9,709,584/- (Rupees Ninety Seven Lac Nine Thousand Five Hundred and Eighty Four Only) vide letter no. SRN No. A93925873/4/2011-CL.VII dated 20th May, 2011 in view of unexpected losses during that year.

- iii) Recognition or awards: Mr. Soshil Kumar Jain is a very renowned and highly respected personality in the industry.
- iv) Job profile and his suitability: Mr. Soshil Kumar Jain is involved in the Strategic Planning, vision and formulation of strategies for the Company. Under his able guidance Panacea Biotec has achieved newer milestones with clear focus on driving productivity and performance across all business segments of the Company. His leadership qualities have significantly boosted the revenues and profitability of the Company. He is a motivated mentor with a focused and enlightened ability to foresee the future that has enabled Panacea Biotec to grow over the years in terms of its human capital, net worth, and increased presence in newer markets, therapies and intellectual capital. His unmatched style of working and principle of taking everyone along has helped Panacea Biotec to attain the revenue as well as the profitability to the tune of Rs.1,165 Crore and Rs.135 Crore, respectively during financial year 2010-11 from a rather humble level of Rs.92.5 Crore and Rs.8.8 Crore, respectively during financial year 1997-98.
- v) Remuneration Proposed: The terms of remuneration proposed to be paid to Mr. Soshil Kumar Jain have been specified in the resolution as set out at item no.6 of the notice. Due to the above mentioned unexpected losses during financial year 2011-12, his salary, allowances and perquisites, part of the total remuneration during the Financial Year 2011-12, has exceeded the limits as prescribed under section 309 of the Act.

As the losses during the financial year 2011-12 are beyond the control of the company and cannot be attributed to laxity in performance of the management which Mr. Soshil Kumar Jain is spearheading, the following remuneration is proposed to be ratified/ protected for the Financial Year 2011-12.

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2011-12	144.00	7.07	-	151.07	-

- vi) Detail of the remuneration paid by other players in the market to their managerial personnel: As per the information available in public domain, it may be easily inferred that considering the positioning of the company in the Pharmaceutical Industry, keeping in view his job profile, the size, operations and complexity of the business of the Company, the remuneration proposed to be ratified/protected to Mr. Soshil Kumar Jain is very modest in comparison to the industry players. A brief break-up of the salary provided by other major industry players is as under:

(Rs. in Lac)*

Name of the Company	Name of Managerial Personnel	Designation of Managerial Personnel	Remuneration paid*	FY ended
Cipla Ltd.	Mr. Y.K. Hamied	Chairman & Managing Director	602.81	31.03.2011
Cipla Ltd.	Mr. M.K. Hamied	Joint Managing Director	602.99	31.03.2011
Ranbaxy Laboratories Ltd.	Mr. Arun Sawhney**	Managing Director	463.71	31.12.2010
Ranbaxy Laboratories Ltd.	Mr. Atul Sobti (For period from 01.01.2010 to 19.08.2010)	Managing Director	334.77	31.12.2010
Jubilant Life Sciences Ltd.	Mr. Shyam S. Bhartia	Managing Director	418.23	31.03.2011
Jubilant Life Sciences Ltd.	Mr. Hari S. Bhartia	Managing Director	410.43	31.03.2011

* Source: Annual Reports of the respective companies as available on the Company's official websites.

** Remuneration of Mr. Arun Sawhney is for the period from 01.01.2010 to 19.08.2010 as President - Global Pharmaceutical Business and for the period from 20.08.2010 to 31.12.2010 as Managing Director.

- vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Soshil Kumar Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Chairman of the Company. Mr. Soshil Kumar Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Ravinder Jain	Son
Dr. Rajesh Jain	Son
Mr. Sandeep Jain	Son
Mr. Sumit Jain	Grandson

2. Mr. Ravinder Jain:

Mr. Ravinder Jain was re-appointed by the Board of Directors ("the Board") as Managing Director of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Mr. Ravinder Jain was initially appointed as a director of Panacea Biotec in November 1984 and became a Whole-time director in February 1985. He is the eldest son of Mr. Soshil Kumar Jain, Promoter-Director and Chairman of the Company. Mr. Ravinder Jain has been the Managing Director of Panacea Biotec since March 1996.
- ii) Past remuneration: Mr. Ravinder Jain was re-appointed as the Managing Director of the Company with effect from 1st April 2011 in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2010-11	144.00	96.47	261.00	501.47	2.88
2009-10	144.00	54.72	-	198.72	1.73
2008-09	144.00	48.87	-	192.87	-

The remuneration paid to Mr. Ravinder Jain, Managing Director of the Company in 2009-10 & 2010-11 was well within the limits prescribed in Schedule XIII read with section 198 and 309 of the Companies Act, 1956. However, for the year 2008-09, approval of the Central Government was obtained for the waiver of recovery of remuneration which was paid in excess of the limits prescribed under the provisions of Schedule XIII, for Rs.1,38,40,954/- (Rupees One Crore Thirty Eight Lac Forty Thousand Nine Hundred and Fifty Four Only) vide letter no. SRN No. A93926228/4/2011-CL.VII dated 20th May, 2011 in view of unexpected losses during that year.

- iii) Recognition or awards: Mr. Ravinder Jain is a very renowned and highly respected personality in the industry.
- iv) Job profile and his suitability: Mr. Ravinder Jain has around 31 years' experience in business collaborations and tie-ups, international marketing, business development, finance and corporate administration. He is involved in the overall supervision of day-to-day operations with emphasis on strategic planning and business development for the Company. Under his motivated leadership Panacea Biotec has set new milestones with clear focus on driving productivity and performance across all business segments of the Company. Under his strategic thinking & leadership, Panacea Biotec has, over the years, created state of the art infrastructure in terms of 4 state-of-the art manufacturing facilities, 4 R&D centres and sales & distribution network in addition to several collaborations & tie ups. His zeal, enthusiasm and vision has enabled Panacea Biotec to achieve new standards of performance in terms of financial parameters i.e. increased revenues & shareholders' wealth etc. His spirit of team work has helped Panacea Biotec to attain the revenue as well as the profitability to the tune of Rs.1,165 Crore and Rs.135 Crore, respectively during financial year 2010-11 from a rather humble level of Rs.92.5 Crore and Rs.8.8 Crore respectively during financial year 1997-98.
- v) Remuneration Proposed: The terms of remuneration proposed to be paid to Mr. Ravinder Jain have been specified in the resolution as set out at item no.7 of the notice. Due to above mentioned unexpected losses during the financial year 2011-12, his salary, allowances and perquisites, part of the total remuneration during the Financial Year 2011-12, has exceeded the limits as prescribed under section 309 of the Act.

As the losses during the financial year 2011-12 are beyond the control of the Company and cannot be contributed to laxity in performance of the management which Mr. Ravinder Jain is spearheading, the following remuneration is proposed to be ratified/ protected for the Financial Year 2011-12.

(Rs. in Lac)

Financial Year	Salary	Allowances / Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2011-12	144.00	56.62	-	200.62	-

- vi) Detail of the remuneration paid by other players in the market to their managerial personnel: As per the information available in public domain, it may be easily inferred that considering the positioning of the Company in the Pharmaceutical Industry, keeping in view his job profile, the size, operations and complexity of the business of the Company, the remuneration proposed to be ratified/protected to Mr. Ravinder Jain is very modest in comparison to the industry players. A brief break-up of the salary provided by other major industry players is as under:

(Rs. in Lac)*

Name of the Company	Name of Managerial Personnel	Designation of Managerial Personnel	Remuneration paid*	FY ended
Cipla Ltd.	Mr. Y.K. Hamied	Chairman & Managing Director	602.81	31.03.2011
Cipla Ltd.	Mr. M.K. Hamied	Joint Managing Director	602.99	31.03.2011
Ranbaxy Laboratories Ltd.	Mr. Arun Sawhney**	Managing Director	463.71	31.12.2010
Ranbaxy Laboratories Ltd.	Mr. Atul Sobti (For period from 01.01.2010 to 19.08.2010)	Managing Director	334.77	31.12.2010
Jubilant Life Sciences Ltd.	Mr. Shyam S. Bhartia	Managing Director	418.23	31.03.2011
Jubilant Life Sciences Ltd.	Mr. Hari S. Bhartia	Managing Director	410.43	31.03.2011

* Source: Annual Reports of the respective companies as available on the Company's official websites.

** Remuneration of Mr. Arun Sawhney is for the period from 01.01.2010 to 19.08.2010 as President - Global Pharmaceutical Business and for the period from 20.08.2010 to 31.12.2010 as Managing Director.

- vii) Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Ravinder Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Managing Director of the Company. Mr. Ravinder Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father
Dr. Rajesh Jain	Brother
Mr. Sandeep Jain	Brother
Mr. Sumit Jain	Son

3. Dr. Rajesh Jain:

Dr. Rajesh Jain was re-appointed by the Board of Directors ("the Board") as Joint Managing Director of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Dr. Rajesh Jain is a Ph.D. holder in Business Administration (Commerce). He also holds a Post Graduate degree in Business Management from Shivaji Institute of Management, Ghaziabad, India and is a science graduate from University of Delhi. He is the second son of Mr. Soshil Kumar Jain, Promoter-Director & Chairman of the Company.

He was appointed as a Director of Panacea Biotec Limited in November 1984, became a Whole-time director in February 1985 and currently holds the position of Joint Managing Director since February 2002. He has about 27 years' experience in the pharmaceutical industry and oversees Panacea Biotec's marketing, R&D and business development sectors. He was also the Ex-Chairman of the Biotechnology Sub-Committee of CII, Northern Region; Vice President of ABLE, Northern Region; a member of the Advisory Committee of the Biotechnology Engineering Faculty in Punjab University, Chandigarh; a member of International WHO's WHO Society, a member of the Pharmaceuticals & Biotechnology Committee of Federation of Indian Chambers of Commerce & Industry (FICCI); a member of the Government of Uttaranchal's Joint Task Force Confederation of Indian Industry (CII); a member of the Advisory Committee of the Biotechnology Teaching Program, Center for Biotechnology of Jawahar Lal Nehru University, New Delhi and a member of Punjab Biotechnology Promotion Board, Govt. of Punjab. Prior to joining Panacea Biotec, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products.

- ii) Past remuneration: Dr. Rajesh Jain was re-appointed as the Joint Managing Director of the Company with effect from 1st April 2011, in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs. in Lac)					
Financial Year	Salary	Allowances/Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2010-11	120.00	11.66	261.00	392.66	2.25
2009-10	120.00	10.72	-	130.72	1.13
2008-09	120.00	6.48	-	126.48	-

The remuneration paid to Dr. Rajesh Jain, Joint Managing Director of the Company in 2009-10 & 2010-11 was well within the limits prescribed in Schedule XIII read with section 198 and 309 of the Companies Act, 1956. However, for the Financial Year 2008-09, approval of the Central Government was obtained for payment/protection of remuneration being paid in excess of the limits prescribed under the provisions of Schedule XIII, for Rs.1,26,48,048/- (Rupees One Crore Twenty Six Lac Forty Eight Thousand and Forty Eight Only) vide letter no. SRN No. A64643737- CLVII dated 23rd December, 2009 in view of unexpected losses during that year.

- iii) Recognition or awards: Dr. Rajesh Jain, Joint Managing Director has been ranked as one of the top 40 most influential people in global pharmaceutical industry in recognition for his vision and focus on prevention through vaccines and its delivery mechanism. He has been the Ex-Chairman of the Biotechnology Sub-Committee of CII, Northern Region; Vice President of ABLE, Northern Region; a member of the Advisory Committee of the Biotechnology Engineering Faculty in Punjab University, Chandigarh; a member of International WHO's WHO Society, a member of the Pharmaceuticals & Biotechnology Committee of Federation of Indian Chambers of Commerce & Industry (FICCI); a member of the Government of Uttaranchal's Joint Task Force Confederation of Indian Industry (CII); a member of the Advisory Committee of the Biotechnology Teaching Program, Center for Biotechnology of Jawahar Lal Nehru University, New Delhi and a member of Punjab Biotechnology Promotion Board, Govt. of Punjab.

- iv) Job profile and his suitability: Dr. Rajesh Jain is involved in the overall supervision of day-to-day operations with emphasis on Research & Development, business development and marketing. Under his exceptional understanding of the business mantras, Panacea Biotec has an impressive product pipeline and is targeting key therapeutic areas that will deliver new and innovative treatment therapies. As a result of his unlimited energy and enthusiasm Panacea Biotec continues to be ranked as the second largest vaccine producers in India and has been ranked among the top 10 biotechnology Companies in India (Able Survey 2012). With his clear emphasis on research and development, Panacea Biotec has established 4 R&D Centres with each center dedicated to specific research areas which enabled the Company to file over 1,500 patent applications worldwide including 194 Indian patent applications and 95 applications filed through the PCT (Patent Cooperation Treaty) route.

- v) Remuneration Proposed: The terms of remuneration proposed to be paid to Dr. Rajesh Jain have been specified in the resolution as set out at item no. 8 of the notice. Due to above unexpected losses during the financial year 2011-12, his salary, allowances and perquisites, part of the total remuneration during the Financial Year 2011-12, has exceeded the limits as prescribed under section 309 of the Act.

As the losses during the financial year 2011-12 are beyond the control of the Company and cannot be attributed to laxity in performance of the management which Dr. Rajesh Jain is spearheading, the following remuneration is proposed to be ratified/protected for the Financial Year 2011-12.

(Rs. in Lac)					
Financial Year	Salary	Allowances / Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2011-12	120.00	10.30	-	130.30	-

- vi) Details of the remuneration paid by other players in the market to their managerial personnel: As per the information available in public domain, it may be easily inferred that considering the positioning of the Company in the Pharmaceutical Industry, keeping in view his job profile, the size, operations and complexity of the business of the Company, the remuneration proposed to be ratified/protected to Dr. Rajesh Jain is very modest in comparison to the industry players. A brief break-up of the salary provided by other major industry players is as under:

(Rs. in Lac)*					
Name of the Company	Name of Managerial Personnel	Designation of Managerial Personnel	Remuneration paid*	FY ended	
Cipla Ltd.	Mr. Y.K. Hamied	Chairman & Managing Director	602.81	31.03.2011	
Cipla Ltd.	Mr. M.K. Hamied	Joint Managing Director	602.99	31.03.2011	

Name of the Company	Name of Managerial Personnel	Designation of Managerial Personnel	Remuneration paid*	FY ended
Ranbaxy Laboratories Ltd.	Mr. Arun Sawhney**	Managing Director	463.71	31.12.2010
Ranbaxy Laboratories Ltd.	Mr. Atul Sobti (For period from 01.01.2010 to 19.08.2010)	Managing Director	334.77	31.12.2010
Jubilant Life Sciences Ltd.	Mr. Shyam S. Bhartia	Managing Director	418.23	31.03.2011
Jubilant Life Sciences Ltd.	Mr. Hari S. Bhartia	Managing Director	410.43	31.03.2011

* Source: Annual Reports of the respective companies as available on the Company's official websites.

** Remuneration of Mr. Arun Sawhney is for the period from 01.01.2010 to 19.08.2010 as President - Global Pharmaceutical Business and for the period from 20.08.2010 to 31.12.2010 as Managing Director.

- vii) Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Dr. Rajesh Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Joint Managing Director of the Company. Dr. Rajesh Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father
Dr. Rajesh Jain	Brother
Mr. Sandeep Jain	Brother
Mr. Sumit Jain	Son

4. Mr. Sandeep Jain:

Mr. Sandeep Jain was re-appointed by the Board of Directors ("the Board") as Joint Managing Director of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Mr. Sandeep Jain was appointed as a Director of Panacea Biotec in November 1984, became a Whole-time director in February 1985 and currently holds the position of Joint Managing Director, since February 2002.

He is the youngest son of Mr. Soshil Kumar Jain, the Promoter-Director & Chairman of the Company. He has about 25 years' experience in the pharmaceutical industry.

He is mainly responsible for Panacea Biotec's international marketing, finance, tax laws and regulatory matters. Prior to joining Panacea Biotec Limited, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products.

- ii) Past remuneration: Mr. Sandeep Jain was re-appointed as Joint Managing Director of the Company with effect from 1st April 2011 in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs. in Lac)					
Financial Year	Salary	Allowances / Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2010-11	120.00	10.23	261.00	391.23	2.24
2009-10	120.00	9.68	-	129.68	1.13
2008-09	120.00	6.48	-	126.48	-

The remuneration paid to Mr. Sandeep Jain, Joint-Managing Director of the Company in 2009-10 and 2010-11 was well within the limits prescribed in Schedule XIII read with Sections 198 and 309 of the Companies Act, 1956. However, for the Financial Year 2008-09, approval of the Central Government was obtained for the payment/protection of remuneration being paid in excess of the limits prescribed under the provisions of Schedule XIII, for Rs.1,26,48,048/- (Rupees One Crore twenty six lacs forty eight thousand and forty eight only) vide letter no. SRN No. A64641996-CL.VII dated 23rd December, 2009 in view of the losses during that year.

- iii) Recognition or awards: Mr. Sandeep Jain is a renowned and highly respected personality in the Industry.

- iv) Job profile and his suitability: Mr. Sandeep Jain is involved in the overall supervision of day-to-day operations with emphasis on finance, international marketing, tax and regulatory affairs. Under his exceptional understanding of the business principles, the Company is continuously expanding its global aspirations by improving its international marketing efforts into various markets across the globe and is currently exporting its branded formulations in CIS countries, Asia, Europe and African region.

Mr. Sandeep Jain has been intensively working on the international marketing efforts of the Company. His duties includes increasing the Company's International brand image and is actively exploring opportunities for launching as well as licensing out some of its patented products for manufacture/ marketing in developed countries in Europe, North America and Latin America. His spirit of team work has helped Panacea Biotec to attain the revenue as well as the profitability to the tune of Rs.1,165 Crore and Rs.135 Crore, respectively during financial year 2010-11 from a rather humble level of Rs.92.5 Crore and Rs.8.8 Crore respectively during the financial year 1997-98.

- v) Remuneration Proposed: The terms of remuneration proposed to be paid to Mr. Sandeep Jain have been specified in the resolution as set out at item no. 9 of the notice. Due to above mentioned unexpected losses during financial year 2011-12, his salary, allowances and perquisites, part of the total remuneration during the Financial Year 2011-12, has exceeded the limits as prescribed under section 309 of the Act.

As the losses during the financial year 2011-12 are beyond the control of the Company and cannot be attributed to the performance of management which Mr. Sandeep Jain is spearheading, the following remuneration is thus proposed to be ratified/protected for the Financial Year 2011-12.

(Rs. in Lac)					
Financial Year	Salary	Allowances / Perquisites	Commission	Total	% of net profits u/s 198
2011-12	120.00	7.15	-	127.15	-

- vi) Details of the remuneration paid by other players in the market to their managerial personnel: As per the information available in public domain, it may be easily inferred that considering the positioning of the Company in the Pharmaceutical Industry, keeping in view his job profile, the size, operations and complexity of the business of the Company, the remuneration proposed to be ratified/protected to Mr. Sandeep Jain is very modest in comparison to the Industry players. A brief break-up of the salary provided by other major industry players is as under:

Name of the Company	Name of Managerial Personnel	Designation of Managerial Personnel	Remuneration paid*	FY ended
Cipla Ltd.	Mr. Y.K. Hamied	Chairman & Managing Director	602.81	31.03.2011
Cipla Ltd.	Mr. M.K. Hamied	Joint Managing Director	602.99	31.03.2011
Ranbaxy Laboratories Ltd.	Mr. Arun Sawhney**	Managing Director	463.71	31.12.2010
Ranbaxy Laboratories Ltd.	Mr. Atul Sobti (For period from 01.01.2010 to 19.08.2010)	Managing Director	334.77	31.12.2010
Jubilant Life Sciences Ltd.	Mr. Shyam S. Bhartia	Managing Director	418.23	31.03.2011
Jubilant Life Sciences Ltd.	Mr. Hari S. Bhartia	Managing Director	410.43	31.03.2011

* Source: Annual Reports of the respective companies as available on the Company's official websites.

** Remuneration of Mr. Arun Sawhney is for the period from 01.01.2010 to 19.08.2010 as President – Global Pharmaceutical Business and for the period from 20.08.2010 to 31.12.2010 as Managing Director.

- vii) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Sandeep Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Joint Managing Director of the Company. Mr. Sandeep Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father
Mr. Ravinder Jain	Brother
Dr. Rajesh Jain	Brother
Mr. Sumit Jain	Brother's Son

5. Mr. Sumit Jain:

Mr. Sumit Jain was re-appointed by the Board of Directors ("the Board") as Whole-Time Director of the Company for a period of five years w.e.f. 22nd July, 2010, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Mr. Sumit Jain is a Post Graduate Diploma in Business Management. He is the elder son of Mr. Ravinder Jain, Managing Director of the Company and grandson of Mr. Soshil Kumar Jain, Promoter-Director and Chairman of the Company. He joined Panacea Biotech Limited in May, 2003 as Manager (Vaccines) and was appointed as Whole-time Director in July, 2005.

He has about 12 years of experience in the pharmaceutical industry. He is currently acting as Director (Operations & Projects) of the Company. Prior to joining Panacea Biotech, he was associated with Radicura & Co. Ltd, as Executive Director.

- ii) Past remuneration: Mr. Sumit Jain was re-appointed as the Whole-time Director of the Company with effect from 22nd July, 2010, in accordance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

Financial Year	Salary	Allowances/Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2010-11	27.00	8.15	-	35.15	0.20
2009-10	27.00	7.08	-	34.08	0.30
2008-09	27.00	5.96	-	32.96	-

The remuneration paid to Mr. Sumit Jain, Whole-time Director of the Company in 2008-09, 2009-10 & 2010-11 was well within the limits prescribed in Schedule XIII read with section 198 and 309 of the Companies Act, 1956.

- iii) Recognition or awards: Mr. Sumit Jain is a renowned and highly respected personality in the Industry.
- iv) Job profile and his suitability: Mr. Sumit Jain is involved in the upcoming projects and is also responsible for the administrative matters of Panacea Biotech's Lalru & Baddi facilities. He also oversees the Supply Chain Management of the Company. His spirit of team work has helped Panacea Biotech to attain the revenue as well as the profitability to the tune of Rs.1,165 Crore and Rs.135 Crore, respectively during financial year 2010-11 from a rather humble level of Rs.92.5 Crore and Rs.8.8 Crore respectively during the financial year 1997-98.
- v) Remuneration Proposed: The terms of remuneration proposed to be ratified/protected to Mr. Sumit Jain have been specified in the resolution as set out at item no. 10 of the notice. Due to above mentioned unexpected losses during financial year 2011-12, his salary, allowances and perquisites part of the total remuneration during the Financial Year 2011-12, has exceeded the limits as prescribed under section 309 of the Act.

As the above losses are beyond the control of the Company and cannot be attributed to laxity in performance of the management which Mr. Sumit Jain is spearheading, the following remuneration is proposed to be ratified/protected for the Financial Year 2011-12.

Financial Year	Salary	Allowances/Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2011-12	36.00	14.41	-	50.41	-

- vii) Details of the remuneration paid by other players in the market to their managerial personnel: As per the information available in public domain, it may be easily inferred that considering the positioning of the Company in the Pharmaceutical industry,

keeping in view his job profile, the size, operations and complexity of the business of the Company, the remuneration proposed to be ratified/protected to Mr. Sumit Jain is very modest in comparison to the Industry players. A brief break-up of the salary provided by the major industry players is as under:

(Rs. in Lac)*

Name of the Company	Name of Managerial Personnel	Designation of Managerial Personnel	Remuneration paid*	FY ended
Cipla Ltd.	Mr. Y.K. Hamied	Chairman & Managing Director	602.81	31.03.2011
Cipla Ltd.	Mr. M.K. Hamied	Joint Managing Director	602.99	31.03.2011
Cipla Ltd.	Mr. S. Radhakrishnan (For period from – 12.11.2010 to 31.03.2011)	Whole-time Director	251.71	31.03.2011
Ranbaxy Laboratories Ltd.	Mr. Arun Sawhney**	Managing Director	463.71	31.12.2010
Ranbaxy Laboratories Ltd.	Mr. Atul Sobti (For period from 01.01.2010 to 19.08.2010)	Managing Director	334.77	31.12.2010
Jubilant Life Sciences Ltd.	Mr. Shyam S. Bhartia	Managing Director	418.23	31.03.2011
Jubilant Life Sciences Ltd.	Mr. Hari S. Bhartia	Managing Director	410.43	31.03.2011

* Source: Annual Reports of the respective companies as available on the Company's official websites.

** Remuneration of Mr. Arun Sawhney is for the period from 01.01.2010 to 19.08.2010 as President – Global Pharmaceutical Business and for the period from 20.08.2010 to 31.12.2010 as Managing Director..

- vii) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Sumit Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Whole-Time Director of the Company. Mr. Sumit Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Grand Father
Mr. Ravinder Jain	Father
Dr. Rajesh Jain	Father's Brother
Mr. Sandeep Jain	Father's Brother

IV. Other Information:

- Reasons of loss or inadequate profits: During the financial year 2011-12, the Company's profit targets could not be met, hence the Company has suffered losses. As per the Audited Financial Results for the Financial Year ended 31st March, 2012, the Company has incurred a net loss of Rs.2,077 million. The major reason for the loss is the drastic reduction in turnover from vaccine segment which has got significantly affected due to withdrawal of the Company's pentavalent vaccine from the WHO's list of prequalified vaccines for supply to UNICEF and other UN agencies. Further, there was a steep decline in demand of Pandemic flu vaccines because of World Health Organization (WHO) declaring the end of the Influenza (H1N1) Pandemic and fall in Government Orders and thereby has also contributed to the decline in the revenue and the profits of the Company. Moreover, during the month of February, 2012, following the observations of WHO during site audit of Vaccine formulation facility at Okhla New Delhi, the Company has also withdrawn its Oral Polio Vaccines manufactured from this facility, from the WHO's list of pre-qualified vaccines.
- Steps taken or proposed to be taken for improvement: The Company has well laid strategy for its future growth with clearly identified growth drivers to boost its revenue and profitability over the medium to long term. Moreover, the Company has initiated corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines and is continuously in touch with WHO in this respect. The Company is confident, that with these corrective & preventive measures, the Company will be able to get re-listing of the above said vaccines in the list of WHO pre-qualified vaccines in due course of time. With these steps being put in place there is no reason to believe that the Company will not achieve newer heights in the years to come.
- Expected increase in productivity and profits in measurable terms: In addition to steps being taken for improvement as detailed hereinabove, key focus area would be profit maximisation, conservation of cash, operational efficiencies, cost and working capital containment and investment in human resource. The Company is continuing in its endeavour to increase the revenues to improve profitability.

IV. Disclosures:

The requisite disclosures of remuneration package etc. have been made in the Corporate Governance Report which forms part of Annual Report.

The Remuneration Committee of the Board of Directors of the Company has in its meeting held on February 10, 2012 approved and recommended the protection of remuneration of Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain. The Board recommends the resolutions as set out at item no.6 to 10 for approval of the shareholders.

None of the Directors of the Company except Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain are interested or concerned in the proposed resolutions at item no. 6 to 10 respectively.

A copy each of the resolutions dated 25th September, 2010 and 24th September, 2011 passed in the Annual General Meetings of the shareholders and resolutions dated 10th February, 2012 passed by the Remuneration Committee and the Board of Directors, is open for inspection by members on any working day during 11.00A.M. to 1.00 P.M. on all working days of the Company, upto the date of the Annual General Meeting, at the Registered Office as well as Corporate Office of the Company.

By order of the Board
For Panacea Biotech Ltd.

Place: New Delhi
Date: 7th August, 2012

Vinod Goel
G. M. Legal & Company Secretary

ATTENDANCE SLIP

Panacea Biotec Limited

Regd. Office : Ambala-Chandigarh Highway, Lalru - 140 501, Punjab.
Corporate & Secretarial Office : B-1 Extn. / G-3, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi - 110 044

1. Full name of shareholder/proxy
2. Folio / Demat Account Number
3. If proxy, full name of the shareholder

I hereby record my presence at the 28th Annual General Meeting of the Company, being held at its registered office at Ambala-Chandigarh Highway, Lalru-140 501, Punjab, on Saturday, the 29th day of September, 2012 at 11:00 A.M.

(Signature of the Shareholder/Proxy)

IMPORTANT : This attendance slip may please be handed over at the entrance of the Meeting Hall.

Panacea Biotec Limited

Regd. Office : Ambala-Chandigarh Highway, Lalru - 140 501, Punjab.
Corporate & Secretarial Office : B-1 Extn. / G-3, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi - 110 044

FORM OF PROXY

I/We resident of being a Member/Members of the above named company hereby appoint resident of or failing him resident of as my/our Proxy to attend and vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company, to be held at its registered office at Ambala-Chandigarh Highway, Lalru-140 501, Punjab on Saturday, the 29th day of September, 2012 at 11:00 A.M. and at any adjournment thereof.

*I wish my above Proxy to vote in the manner as indicated in the box below:

Item No.	Resolutions	For	Against
1.	Adoption of Annual Accounts for the Financial Year 2011-12		
2.	Re-appointment of retiring Director i.e. Mr. Soshil Kumar Jain		
3.	Re-appointment of retiring Director i.e. Mr. N.N. Khamitkar		
4.	Re-appointment of retiring Director i.e. Mr. Sunil Kapoor		
5.	Appointment of M/s. S.R. Batliboi & Co. as Statutory Auditors		
6.	Ratification/protection of payment of remuneration to Mr. Soshil Kumar Jain, Chairman		
7.	Ratification/protection of payment of remuneration to Mr. Ravinder Jain, Managing Director		
8.	Ratification/protection of payment of remuneration to Dr. Rajesh Jain, Joint Managing Director		
9.	Ratification/protection of payment of remuneration to Mr. Sandeep Jain, Joint Managing Director		
10.	Ratification/protection of payment of remuneration to Mr. Sumit Jain, Whole-Time Director		

Signed this _____ day of _____ 2012

Folio / Demat Account No. _____

No. of Shares _____

Affix
Revenue
Stamp

Signature of Shareholder/
1st Jointholder across the revenue stamp

Notes :

1. The Proxy, to be effective, should be deposited at the Registered/Corporate Office of the Company, not later than FORTY EIGHT HOURS before the commencement of the aforesaid meeting. A Proxy need not be a member of the Company.
- *2. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



Panacea Biotec

Innovation in support of life

Panacea Biotec Ltd.

Secretarial Deptt.

B-1 Extn./G-3, Mohan Co-op. Indl. Estate, , Mathura Road, New Delhi - 110 044, INDIA.

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E-mail: companysec@panaceabiotec.com, Website: www.panaceabiotec.com