

NOTICE

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of Panacea Biotec Ltd. will be held on **Wednesday, the 25th day of September, 2013 at 11:30 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, 2013 and the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT the Audited Balance Sheet as at March 31, 2013 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 as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. K.M. Lal, 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 as an ORDINARY RESOLUTION.

"RESOLVED THAT Dr. A.N. Saksena, 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 as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. Sumit 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."

5. To appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, the retiring auditors as Statutory Auditors of the Company and to fix their remuneration and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT the retiring Auditors M/s. S.R. Batliboi & Co. LLP, 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, consent of the Company be and is hereby accorded for the protection of remuneration of Mr. Soshil Kumar Jain, Chairman of the Company for the Financial Years 2012-13 & 2013-14, as detailed hereunder:

A. REMUNERATION

a) Salary: Rs.6,00,000/- per month

b) Commission

Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 349 and 350 of the Companies Act, 1956, as may be decided by the Board from time to time, in case where sufficient profits are available.

c) 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 on the basis of his normal salary drawn ignoring the current salary cut.

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.

B. OTHER TERMS

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.

2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.

3. Minimum Remuneration - Subject to the approval of the Central Government and/or other applicable authority(ies), in the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said director, shall be payable as minimum remuneration notwithstanding the limits prescribed in Section II of Part II of

Schedule XIII to the Act from time to time.

4. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Whole-time Director may be terminated by either party by giving three months' notice in writing, of such termination.

5. If, at any time, Mr. Soshil Kumar Jain ceases to be the director of the Company for any causes whatsoever, his office as Whole-time Director shall forthwith be terminated

RESOLVED FURTHER THAT unless otherwise decided by the Board of Directors in its subsequent meeting, the remuneration payable to the above said director during his remaining tenure from 1st April, 2014 onwards shall remain the same as was approved by the Shareholders in their Annual General Meeting held on 24th September, 2011.

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, consent of the Company be and is hereby accorded for the protection of remuneration of Mr. Ravinder Jain, Managing Director, for the Financial Years 2012-13 & 2013-14, as detailed hereunder:

a) Salary: Rs.6,00,000/- per month.

b) Commission

Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 349 and 350 of the Companies Act, 1956, as may be decided by the Board from time to time, in case where sufficient profits are available.

c) 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 on the basis of his normal salary drawn ignoring the current salary cut.

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.

B. OTHER TERMS

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.

2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.

3. Minimum Remuneration - Subject to the approval of the Central Government and/or other applicable authority(ies), in the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said director, shall be payable as minimum remuneration notwithstanding the limits prescribed in Section II of Part II of Schedule XIII to the Act from time to time.

4. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.

5. If, at any time, Mr. Ravinder Jain ceases to be the director of the Company for any causes whatsoever, his office as Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT unless otherwise decided by the Board of Directors in its subsequent meeting, the remuneration payable to the above said director during his remaining tenure from 1st April, 2014 onwards shall remain the same as was approved by the Shareholders in their Annual General Meeting held on 24th September, 2011.

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, consent of the Company be and is hereby accorded for the protection of remuneration of Dr. Rajesh Jain, Joint Managing Director, for the Financial Years 2012-13 & 2013-14, as detailed hereunder:

- A. REMUNERATION
- Salary: Rs.5,00,000/- per month
 - Commission
Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 349 and 350 of the Companies Act, 1956, as may be decided by the Board from time to time, in case where sufficient profits are available.
 - Perquisites and allowances
 - Housing
 - Company owned/leased furnished house with actual upkeep and maintenance expenses
 - Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
 - Company shall provide such furniture and furnishing as may be required by the Director.
 - Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
 - Leave Travel Assistance - Once a year for self & family as per rules of the Company.
 - Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
 - Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
 - Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
 - Gratuity - Upto half a month's salary for each completed year of service on the basis of his normal salary drawn ignoring the current salary cut.
 - Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
 - 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.
 - 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.
 - Security - The Company shall provide for round the clock security at the Director's residence.

B. OTHER TERMS

- The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
- The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.
- Minimum Remuneration - Subject to the approval of the Central Government and/or other applicable authority(ies), in the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said director, shall be payable as minimum remuneration notwithstanding the limits prescribed in Section II of Part II of Schedule XIII to the Act from time to time.
- Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Joint Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.
- If, at any time, Dr. Rajesh Jain ceases to be the director of the Company for any causes whatsoever, his office as Joint Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT unless otherwise decided by the Board of Directors in its subsequent meeting, the remuneration payable to the above said director during his remaining tenure from 1st April, 2014 onwards shall remain the same as was approved by the Shareholders in their Annual General Meeting held on 24th September, 2011.

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, consent of the Company be and is hereby accorded for the protection of remuneration of Mr. Sandeep Jain, Joint Managing Director, for the Financial Years 2012-13 & 2013-14, as detailed hereunder:

A. REMUNERATION

- Salary: Rs.4,70,000/- per month.
- Commission
Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 349 and 350 of the Companies Act, 1956, as may be decided by the Board from time to time, in case where sufficient profits are available.
- Perquisites and allowances
 - Housing
 - Company owned/leased furnished house with actual upkeep and maintenance expenses.
 - Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
 - Company shall provide such furniture and furnishing as may be required by the Director.
 - Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
 - Leave Travel Assistance - Once a year for self & family as per rules of the Company.
 - Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
 - Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.

B. OTHER TERMS

- The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
- The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.
- Minimum Remuneration - Subject to the approval of the Central Government and/or other applicable authority(ies), in the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said director, shall be payable as minimum remuneration notwithstanding the limits prescribed in Section II of Part II of Schedule XIII to the Act from time to time.
- Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Joint Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.
- If, at any time, Mr. Sandeep Jain ceases to be the director of the Company for any causes whatsoever, his office as Joint Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT unless otherwise decided by the Board of Directors in its subsequent meeting, the remuneration payable to the above said director during his remaining tenure from 1st April, 2014 onwards shall remain the same as was approved by the Shareholders in their Annual General Meeting held on 24th September, 2011.

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, 269, 309 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, consent of the Company be and is hereby accorded for the payment of remuneration to Mr. Sumit Jain, Whole-time Director designated as Director Operations and Projects of the Company for the Financial Years 2012-13 & 2013-14, as detailed hereunder:

A. REMUNERATION

- Salary: Rs.2,10,000/- per month.
- Perquisites and allowances
 - Housing
 - 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.
 - Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
 - Company shall provide such furniture and furnishing as may be required by the Director.
 - Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
 - Leave Travel Assistance - Once a year for self & family as per rules of the Company.
 - Group Accident and Medical Insurance Policy(ies) - As per rules of the Company.
 - Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
 - Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
 - Gratuity - Upto half a month's salary for each completed year of service on the basis of his normal salary drawn ignoring the current salary cut
 - Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
 - 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.
 - 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.
 - Security - The Company shall provide for round the clock security at the Director's residence.

B. OTHER TERMS

- Mr. Sumit Jain shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
- Mr. Sumit Jain shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.
- Minimum Remuneration - Subject to the approval of the Central Government and/or other applicable authority(ies), in the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Director, shall be payable as minimum remuneration notwithstanding the limits prescribed in Section II of Part II of Schedule XIII to the Act from time to time.

4. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Whole-time Director may be terminated by either party by giving three months' notice in writing, of such termination.
5. If, at any time, Mr. Sumit Jain ceases to be the director of the Company for any causes whatsoever, his office as Whole-time Director shall forthwith be terminated.

RESOLVED FURTHER THAT unless otherwise decided by the Board of Directors in its subsequent meeting, the remuneration payable to the above said director during his remaining tenure from 1st April, 2014 onwards shall remain the same as was approved by the Shareholders in their Annual General Meeting held on 25th September, 2010.

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."

11. 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 297 and other applicable provisions of the Companies Act, 1956 and in pursuance of the stipulation contained in the approval of the Central Government vide their letter no. 4/228/T-3/2013/P/1553 dated 07.05.2013, the consent of members be and is hereby accorded for the renewal of arrangement entered into by the Company with M/s. Residency Resorts Pvt. Ltd for availing accommodation and hospitality services as per the terms of Agreement approved by the Central Government.

RESOLVED FURTHER THAT:

(a) the agreement entered into with M/s. Residency Resorts Pvt. Ltd is competitive, at arm's length, without conflict of interest and is not less advantageous to the Company as compared to similar contracts with other parties and the company has not made any default under section 297 of the Companies Act in the past (except in respect of offences upto 14.03.2005 and the same had been compounded by Central Government vide its order no. 997/T-3/2005/P/621A/1285 dated 23.09.2005) and there is no default in repayment of any of its debts (including public deposits) or debenture or interest payable thereon and the Company has filed its up to date balance sheet and annual return with the registrar of companies; (b) the agreement is falling within the provisions of section 297 of the Companies Act, 1956 and the provisions of section 198, 269, 309, 314 and 295 are not applicable; and (c) the Company and its directors have complied with the provisions of section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the said agreement."

By order of the Board
For Panacea Biotec Ltd.

Vinod Goel

G. M. Legal & Company Secretary

Place: New Delhi
Date: 8th August, 2013

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 Thursday, the 19th day of September, 2013 to Wednesday, the 25th day of September, 2013 (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 2012-13, 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, 2006 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 2004-05 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 Circular 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 2012-13 shall also 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 id 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. K.M. Lal

Age	: 73 years
Qualification	: M.Sc. (Chemistry)
Professional Expertise	: He is a retired Government official belonging to Indian Administrative Services and retired as Chairman, Staff Selection Commission, Government of India. He has vast experience in the field of finance, accounts, audit, taxation, legal, project and general management. He had held various senior level positions in Government Ministries and offices.
Directorships	: He is director of SREI Capital Markets Ltd., GEM Spinners India Ltd., Polylink Polymers (India) Ltd., Gem Sugars Ltd., Hindustan Wires Ltd., KMC Energy Pvt. Ltd. & Lexicon Public Relations and Corporate Consultants Pvt. Ltd.
Committee Membership/ Chairmanship Shareholding in the Company	: Nil
 - b) Dr. A. N. Saksena

Age	: 75 years
Qualification	: Post Graduate in Mathematics, Doctorate in Economics, Master's Diploma in Public Administration & Master's Diploma in Total Quality Management.
Professional Expertise	: He has been appointed as a Non-executive Director of the Company since December 2005. He retired in 1996 in the grade of additional secretary to Government of India as Financial Advisor to the Ministry of Petroleum. He has vast experience in the field of finance, accounts, audit, human resource development, corporate governance, legal and general management. Prior to his retirement, he held senior level position in various Central Government ministries including the Ministry of Shipping & Transport, Petroleum & Natural Gas, HRD, Information & Broadcasting, Law & Justice and Railways. He also held directorships in various public sector companies including ONGC Ltd., Indian Oil Corporation Ltd., Oil India Ltd., etc., during his tenure.
Directorships	: Nil.
Committee Membership/ Chairmanship Shareholding in the Company	: He is the Chairman of the Share Transfer-cum-Investors' Grievance Committee of the Company.
Shareholding in the Company	: Nil
 - c) Mr. Sumit Jain

Age	: 32 years
Qualification	: Post Graduate Diploma in Business Management.
Professional Expertise	: He joined Panacea Biotec Limited in May, 2003 as Manager (Vaccines) and was appointed as Whole-time Director in July 2005. He has about 13 years' experience in the pharmaceutical industry. He is currently acting as Director (Operations & Projects) and oversees the upcoming projects and is also responsible for the administrative matters of Panacea Biotec's Lalru and Baddi facilities. He also oversees the Supply Chain Management of the Company. Prior to joining Panacea Biotec, he was associated with Radicura & Co. Ltd. as Executive Director.
Directorships	: He is director of Radicura & Co. Ltd., PanEra Biotec Pvt. Ltd. and White Pigeon Estate Pvt. Ltd.
Committee Membership/ Chairmanship Shareholding in the Company	: He is a member of the Executive Committee of the Company.
Shareholding in the Company	: He holds 358,500 Equity Shares of Re.1 each, comprising 0.59% shareholding of the Company.
20. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is provided in respect Special Business set out at item no. 6 to 11 as under:

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

During the financial year 2012-13, 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, 2013, the Company has incurred a net loss of Rs.2301.3 million. The major reason for the loss is the continuing downfall in the vaccine business 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.

Due to the above unfavorable business circumstances, Sh. Soshil Kumar Jain, Chairman of the Company alongwith other executive directors, as a good gesture and sense of responsibility, voluntarily offered reduction in his monthly salary by 50% to be paid in the Financial Year 2012-13 which was duly accepted by Board in its Board Meeting held on February 10, 2012. In addition, Mr. Sandeep Jain, Joint Managing Director had voluntarily offered to draw a further reduced monthly salary of Rs.4.70 Lac p.m. and drawn a salary @ Rs.4.70 Lac p.m. for the financial year 2012-13.

The company's performance during the financial year 2013-14 may also remain under pressure due to the continuing of the adverse trend in the vaccine segment which may cause absence or inadequacy of profits. Accordingly, the Board of Directors, had in its meeting held on 30th May, 2013, decided to continue the payment of reduced salary in the financial year 2013-14 as was in financial year 2012-13.

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 and in spite of the voluntary reduction in the monthly salary, the total remuneration of Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain, during the Financial Year 2012-13, has exceeded 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. Further, total remuneration to such Directors may also exceed the aforesaid limits during the financial year 2013-14.

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.

The Company has taken all corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines. During the year 2012-13, Auditors from WHO and UNICEF visited the Company's vaccine facilities at Lalru (Punjab) and Baddi (H.P.) with the objective of re-evaluation of the acceptability in principle of Pentavalent Vaccine (DTP-Hep B-Hib) produced by Panacea Biotech for purchase by United Nations Agencies. The Company is confident that with the past audit activities, it will be able to get re-listing of Pentavalent vaccine in the list of WHO pre-qualified vaccines in due course.

It is pertinent to note that Panacea Biotech has been regularly achieving higher turnover levels and the profits of the Company have been adequate and the present remuneration proposed to be protected has been less than 5% of the profits of the Company 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 during preceding three financial years except for the financial year 2011-12 for which approval of the Central Government was duly obtained for payment/protection of remuneration.

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.

The consent of the shareholders by way of special resolution and the approval of the Central Government will be required in respect of the remuneration to Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, and Mr. Sandeep Jain, Directors for the Financial Years 2012-13 & 2013-14. However, in the case of Mr. Sumit Jain, Whole-time Director, only the approval of the Shareholders is required by way of Special Resolution.

As such, the shareholder's approval is sought for the protection / payment of the remuneration of 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

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 net turnover of Rs.5,304.2 million as on 31st March 2013.

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. The Company is one of the largest vaccine producers in India and ranked as 2nd largest vaccine manufacturer of India by ABLE Survey 2012 and also ranked amongst top 50 pharmaceutical companies in India by AIOCD AWACS Pharma Trac MAT April 2013.

Panacea Biotech is a widely held listed Public Limited Company with around 10,000 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, 2013	Year Ended as on 31st March, 2012	Year Ended as on 31st March, 2011
Sales	5,304.2	6,883.8	11,498.3
Net Profit/ (Net Loss)	(2,301.3)	(2,077.9)	1,350.5
Dividend	Nil	Nil	45.9

5. Export performance and net foreign exchange:

Earnings in Foreign Currency (Rs. in million)

Particulars	Year ended as on 31st March, 2013	Year ended as on 31st March, 2012	Year ended as on 31st March, 2011
F.O.B. value of exports (including deemed exports)	905.2	3,436.5	7,103.9
Income from distribution rights	2.1	0.5	Nil
Research and license fees income	299.4	Nil	Nil
Interest income from subsidiary company	Nil	36.2	42.0

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 thousands)
1	Panacea Biotech FZE, UAE	Equity	5	5,474.52
2	Panacea Biotech GmbH, Germany	Equity	2	1,582.25
3	Rees Investments Ltd., Islands of Guernsey	Equity	1,000	0.476
4.	Panacea Biotech International S.A, Switzerland	Equity	6,000	34,360.76

II. Information about the appointee(s):

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 57 years' experience in the pharmaceutical industry. He is the founder promoter/director of Panacea Biotech and has been its Chairman since October 1984. Prior to promoting Panacea Biotech, 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:

(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	-
2012-13	144.00	10.77	261.00	415.77	2.38
2013-14	144.00	9.62	-	153.62	1.34

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 section 198 and 309 of the Companies Act, 1956. For the year 2011-12, approval of the Central Government was obtained for the protection of remuneration amounting Rs.1,51,07,217 vide letter no. SRN No. B39387790/2/2011-CL.VII dated 21.11.2012 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 Biotech 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 Biotech 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 Biotech to attain the revenue to the tune of Rs.701.56 Crore during financial year 2011-12 from a rather humble level of Rs.92.5 Crore during financial year 1997-98.

v) Remuneration Proposed: The terms of remuneration to Mr. Soshil Kumar Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 6 of the notice. The following remuneration is proposed to be protected / paid for the financial years 2012-13 & 2013-14:

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2012-13	72.00	7.53	-	79.53	-
2013-14	72.00	16.20	-	88.20	-

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	664.98	31.03.2012
Cipla Ltd.	Mr. M.K. Hamied	Joint Managing Director	490.25	31.03.2012
Ranbaxy Laboratories Ltd.	Mr. Arun Sawhney	Managing Director	972.09	31.12.2012
Jubilant Life Sciences Ltd.	Mr. Shyam S. Bhartia	Managing Director	236.15	31.03.2012
Jubilant Life Sciences Ltd.	Mr. Hari S. Bhartia	Managing Director	228.12	31.03.2012

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

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 and interest on unsecured loans/deposits provided by him from time to time. 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 Biotech 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 Biotech since March 1996.

ii) Past remuneration: Mr. Ravinder Jain was re-appointed as the Managing Director of the Company with effect from 1st April 2012 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
2011-12	144.00	56.62	-	200.62	-
2010-11	144.00	96.47	261.00	501.47	2.88
2009-10	144.00	54.72	-	198.72	1.73

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. For the year 2011-12, approval of the Central Government was obtained for the protection of remuneration amounting Rs.2,00,62,023/- (Rupees Two Crore Sixty Two Thousand and Twenty Three Only) vide letter no. SRN No. B39388343/2/2011-CL.VII dated 21st November, 2012 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 32 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 Biotech 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 Biotech 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 Biotech 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 Biotech to attain the revenue to the tune of Rs.701.56 Crore during financial year 2011-12 from a rather humble level of Rs.92.5 Crore during financial year 1997-98.

v) Remuneration Proposed: The terms of remuneration to Mr. Ravinder Kumar Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 7 of the notice. The following remuneration is proposed to be protected/paid for the financial years 2012-13 & 2013-14.

(Rs. in Lac)

Financial Year	Salary	Allowances / Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2012-13	72.00	48.98	-	120.98	-
2013-14	72.00	59.20	-	131.20	-

vi) Detail of the remuneration paid by other players in the market to their managerial personnel:
As stated in II. 1. (vi) above.

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 and interest on unsecured loans/deposits provided by him from time to time. 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 Biotech 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 28 years' experience in the pharmaceutical industry and oversees Panacea Biotech's marketing, R&D and business development sectors. He is also a Chairman of National Committee on Biotechnology of Confederation of Indian Industry (CII) Vice President of Association of Biotechnology

Led Enterprises (ABLE) Northern Region., a member of Federation of Indian Chambers of Commerce Industry (FICCI) – Pharma Committee, a member - Joint Task Force CII, Govt. of Uttaranchal, a Member - Advisory Committee of the Biotechnology Teaching Programme, Centre for Biotechnology Jawaharlal Nehru University – Delhi, a partner - Global Alliance for Vaccines and Immunization (GAVI Board, a member for Developing Country Vaccine Manufacturers WHO), a member - Punjab Bio-technology Promotion Board, Govt. of Punjab., a member of Advisory Committee of the Biotechnology Engg., Punjab University, Chandigarh, a member of Indian Pharmaceutical Alliance (IPA) and consultant to WHO - Development of Polio Vaccine. Prior of joining Panacea Biotech, he was associated with Radicuar & 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
2011-12	120.00	10.30	-	130.30	-
2010-11	120.00	11.66	261.00	392.66	2.25
2009-10	120.00	10.72	-	130.72	1.13

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. For the year 2011-12, approval of the Central Government was obtained for protection of remuneration amounting Rs.1,30,30,694/- (Rupees One Crore Thirty Lac Thirty Thousand and Six Hundred and Ninety Four Only) vide letter no. SRN No. B39388749/2/2011-CL.VII dated 31st October, 2012 (copy enclosed as Annexure 10) 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 Biotech 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 Biotech is today one of the largest vaccine producers in India and ranked as 2nd largest vaccine manufacturer of India by ABLE Survey 2012 and also ranked amongst top 50 pharmaceutical companies in India by AIOCD AWACS Pharma Trac MAT April 2013.

v) Remuneration Proposed: The terms of remuneration to Dr. Rajesh Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 8 of the notice. The following remuneration is proposed to be protected/paid for the financial year 2012-13 & 2013-14.

(Rs. in Lac)

Financial Year	Salary	Allowances / Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2012-13	60.00	10.46	-	70.46	-
2013-14	60.00	18.00	-	78.00	-

vi) Detail of the remuneration paid by other players in the market to their managerial personnel:
As stated in II. 1. (vi) above.

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 and interest on unsecured loans/deposits provided by him from time to time. Dr. Rajesh Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father
Mr. Ravinder Jain	Brother
Mr. Sandeep Jain	Brother
Mr. Sumit Jain	Brother's 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 Biotech 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 26 years' experience in the pharmaceutical industry. He is mainly responsible for Panacea Biotech's international marketing, finance, tax laws and regulatory matters. Prior to joining Panacea Biotech Limited, he was associated with Radicuar & 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
2011-12	120.00	7.15	-	127.15	-
2010-11	120.00	10.23	261.00	391.23	2.24
2009-10	120.00	9.68	-	129.68	1.13

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 year 2011-12, approval of the Central Government was obtained for protection of remuneration of Rs.1,27,15,123/- (Rupees One Crore Twenty Seven Lac Fifteen Thousand One Hundred and Twenty Three Only) vide letter no. SRN No. B39389259-CL.VII dated 31st October, 2012 in view of unexpected 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 to the tune of Rs.701.56 Crore during financial year 2011-12 from a rather humble level of Rs.92.5 Crore during the financial year 1997-98.
- v) Remuneration Proposed: The terms of remuneration to Mr. Sandeep Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 9 of the notice. The following remuneration is thus proposed to be protected/paid for the financial years 2012-13 & 2013-14.

(Rs. in Lac)

Financial Year	Salary	Allowances / Perquisites	Commission	Total Cost to the Company	% of net profits u/s 198
2012-13	56.40	7.35	-	63.75	-
2013-14	56.40	14.64	-	71.04	-

- vi) Detail of the remuneration paid by other players in the market to their managerial personnel:
As stated in Il. 1. (vi) above.
- 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 and interest on unsecured loans/deposits provided by him from time to time 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 Biotec Limited in May, 2003 as Manager (Vaccines) and was appointed as Whole-time Director in July, 2005. He has about 13 years of experience in the pharmaceutical industry. He is currently acting as Director (Operations & Projects) of the Company. Prior to joining Panacea Biotec, 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:

(Rs. in Lac)

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	-
2010-11	27.00	8.15	-	35.15	0.20
2009-10	27.00	7.08	-	34.08	0.30

The remuneration paid to Mr. Sumit Jain, Whole-time 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 year 2011-12, approval of the Central Government was obtained for protection of remuneration of Rs. 5,040,981/- (Rupees Fifty Lacs Forty Thousand Nine Hundred and Eighty One Only) vide letter no. SRN No. B39389499-2/2011-CL-VII dated 30th October, 2012 in view of unexpected losses during that year.

- 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 Biotec's Lalru & Baddi facilities. He also oversees the Supply Chain Management of the Company. His spirit of team work has helped Panacea Biotec to attain the revenue to the tune of Rs.701.56 Crore during

financial year 2011-12 from a rather humble level of Rs.92.5 Crore during the financial year 1997-98.

- v) Remuneration Proposed: The terms of remuneration to Mr. Sumit Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 10 of the notice. The following remuneration is proposed to be approved by the shareholders for the financial years 2012-13 and 2013-14.

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Commission	Total cost to the Company	% of net profits u/s 198
2012-13	25.20	9.46	-	34.66	-
2013-14	25.20	13.70	-	38.90	-

- vi) Detail of the remuneration paid by other players in the market to their managerial personnel:
As stated in Il. 1. (vi) above.
- 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 and interest on unsecured loans/deposits provided by him from time to time. 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

III. Other Information:

1. Reasons of loss or inadequate profits:
The major reason for the loss during the financial year 2012-13 is the continuing downfall in the vaccine business 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 in financial year 2011-12. 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. The company's performance during the financial year 2013-14 may also remain under pressure due to the continuing of the adverse trend in the vaccine segment which may cause absence or inadequacy of profits.
2. 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. The Company has taken all corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines. During the year 2012-13, Auditors from WHO and UNICEF visited the Company's vaccine facilities at Lalru (Punjab) and Baddi (H.P.) with the objective of re-evaluation of the acceptability in principle of Pentavalent Vaccine (DTP- Hep B-Hib) produced by Panacea Biotec for purchase by United Nations Agencies. The Company is confident that with the post audit activities, it will be able to get re-listing of Pentavalent vaccine in the list of WHO pre-qualified vaccines in due course. 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.
3. 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 30th May, 2013 approved and recommended the protection of remuneration of Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain & Mr. Sandeep Jain and approval by the shareholders for remuneration of 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 passed by the Board of Directors, in the Board meeting held on 30th May, 2013 are open for inspection by members during 11.00 A.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.

Item No. 11
On the basis of prior approval of the Central Government, your Company executed a renewal agreement with Residency Resorts Private Limited for availing accommodation facility, facilities of banquets and conference halls, etc. for stay of its directors & other employees and also for holding meetings, seminars, etc. where Mr. Sunil Kapoor, an independent director of the company is director and shareholder. The Central Government in its approval had, inter-alia, prescribed that the Company shall take post-facto approval of the shareholders of the Company. The Directors therefore recommend the Resolution as set out in the Notice.

None of the Directors of the Company except Mr. Sunil Kapoor is concerned or interested in the above resolution.

The agreement and Central Government approvals, referred above shall be available for inspection by the members at the Registered Office and Corporate Office of the Company on any working day between 11:00 AM. to 1:00 P.M.

By order of the Board
For Panacea Biotec Ltd.

Place: New Delhi
Date: 8th August, 2013

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 29th Annual General Meeting of the Company, being held at its registered office at Ambala-Chandigarh Highway, Lalru-140 501, Punjab, on Wednesday, the 25th day of September, 2013 at 11:30 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 29th Annual General Meeting of the Company, to be held at its registered office at Ambala-Chandigarh Highway, Lalru-140 501, Punjab on Wednesday, the 25th day of September, 2013 at 11:30 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 2012-13		
2.	Re-appointment of retiring Director i.e. Mr. K.M. Lal		
3.	Re-appointment of retiring Director i.e. Dr. A.N. Seksena		
4.	Re-appointment of retiring Director i.e. Mr. Sumit Jain		
5.	Appointment of M/s. S.R. Batliboi & Co. LLP as Statutory Auditors		
6.	Protection/payment of remuneration to Mr. Soshil Kumar Jain, Chairman for the Financial Years 2012-13 & 2013-14		
7.	Protection/payment of remuneration to Mr. Ravinder Jain, Managing Director for the Financial Years 2012-13 & 2013-14		
8.	Protection/payment of remuneration to Dr. Rajesh Jain, Joint Managing Director for the Financial Years 2012-13 & 2013-14		
9.	Protection/payment of payment of remuneration to Mr. Sandeep Jain, Joint Managing Director for the Financial Years 2012-13 & 2013-14		
10.	Approval of payment of remuneration to Mr. Sumit Jain, Whole-Time Director for the Financial Years 2012-13 & 2013-14		
11.	Post-facto approval of agreement with Residency Resorts Pvt. Ltd. u/s 297 of the Companies Act, 1956		

Signed this _____ day of _____ 2013

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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