



Panacea Biotec Ltd.

Regd. Off. : Ambala-Chandigarh Highway,
Lalru - 140501, Punjab

NOTICE OF POSTAL BALLOT TO THE SHAREHOLDERS
(Pursuant to section 192A of the Companies Act, 1956 read with the Companies
(Passing of Resolutions by Postal Ballot) Rules, 2001)

Sub.: Passing of Special Resolution by Postal Ballot.

Date: 30th December 2009

Dear Member(s),

The Board of Directors of your Company at its Meeting held on 30th December, 2009, discussed and consented in-principle to purchase the Company's own fully paid-up 55,92,000 Equity Shares of the face value of Re. 1/- each at a price not exceeding Rs.189 (Rupees One hundred Eighty Nine only) per Equity Share for an aggregate amount not exceeding Rs.105,68,88,000 (Rupees One Hundred Five Crore Sixty Eight Lac and Eighty Eight Thousand only) (hereinafter referred to as "Buy-back") subject to the consent of the members of the Company and in accordance with the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (including any statutory modification(s) or reenactment of the Act or Buy-Back Regulations, for the time being in force) and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company.

Pursuant to section 77A (2) of the Companies Act, 1956, it is necessary to obtain consent of the shareholders of the Company by way of Special Resolution for the proposed Buy-back of Equity Shares. As per Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 ('Postal Ballot Rules') consent of the Members for buying back the equity shares under Section 77A of the Companies Act, 1956 is required to be obtained by means of voting by Postal Ballot.

Accordingly, NOTICE is hereby given, along with the proposed draft Special Resolution, the Explanatory Statement for the item of special business, pursuant to the provisions of section 173(2) read with Postal Ballot Rules, stating all material facts and the reasons for the proposed Buy-back and a Postal Ballot Form is enclosed for your perusal and consideration. The Company has appointed Ms. Shikha Singhal of M/s. U.S. & Associates, Company Secretaries, to act as scrutinizer for conducting the postal ballot process in a fair and transparent manner.

A Postal Ballot Paper bearing unique serial number is attached to this Notice. Please read carefully the instructions printed in the postal ballot form. We request you to vote by placing a tick mark (✓) at the appropriate place denoting your assent or dissent to the special resolution and return the form duly completed and signed in the attached self-addressed, business reply envelope so as to reach the scrutinizer before the closing of working hours (5.30 pm) on 5th February, 2010, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member.

Please note that any postal ballot form(s) received after the said date and time will be treated as not having been received. No other form or photocopy thereof is permitted. The Scrutinizer will submit her report to the Chairman of the Company after the completion of the scrutiny of the postal ballot. The results will be announced on 10th February, 2010 at 3.00 p.m. at the Registered Office of the Company at Ambala-Chandigarh Highway, Lalru 140501, Punjab. The results of the Postal Ballot will also be displayed at the said office and posted on the Company's website www.panaceabiotec.com besides communicating to the Stock Exchanges where the Company's securities are listed. The related resolution being a Special Resolution shall be declared as passed if votes cast in favour of the resolution are three times or more in number than the votes cast against the resolution.

Date : 30th December, 2009

By Order of the Board
for Panacea Biotec Ltd.
Sd/-
Vinod Goel
G. M. Legal & Company Secretary

Regd. Office:
Ambala-Chandigarh Highway
Lalru-140501, Punjab.

Enclosures: 1. Resolution with Explanatory Statement
2. Postal Ballot Form & Self Addressed Postage prepaid envelope

SPECIAL BUSINESS

1. To consider and if deemed fit, to pass through postal ballot, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions contained in Article 3 of the Articles of Association of the Company and in accordance with the provisions of Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) and the provisions contained in the Securities & Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("Buy Back Regulations") (including any statutory modification(s) or re-enactment of the Act or Buy Back Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (herein referred to as the Board which term shall be deemed to include any Committee thereof which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board at its sole option at such time and from time to time as it may consider appropriate to purchase the Company's own fully paid up 55,92,000 Equity Shares of Re. 1/- each ("Maximum Offer Shares") at a price not exceeding Rs.189/- (Rupees One Hundred Eighty Nine only) per Equity Share ("Maximum Offer Price") and the total aggregate amount to be expended by the Company for the Buy-back shall not exceed Rs.105,68,88,000 (Rupees One Hundred Five Crore Sixty Eight Lac and Eighty Eight Thousand only) ("Maximum Offer Size") (being within 25% of the total Paid-up Equity Share Capital and Free Reserves of the Company as per the Audited Balance Sheet as at March 31, 2009 and not exceeding 25% of the total Paid-up Equity Share Capital in a financial year).

RESOLVED FURTHER THAT Buy-back be implemented in one or more tranches, from its existing shareholders, other than those who are promoters, promoters group, and persons acting in concert (such shareholders hereinafter referred to collectively as "Person in control") (that being understood that the persons in control will be such persons as have been disclosed under the filing made by the Company from time to time under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997) (hereinafter referred to as "SEBI Takeover Regulations") as it may consider appropriate, from out of its free reserves and/or the share premium account and/or internal accruals and/or such other sources or by such mechanisms as may be permitted by the Act and on such terms and conditions as the Board may in its absolute discretion deem fit;

RESOLVED FURTHER THAT the Buy-back be implemented within a period of twelve (12) months from the date of passing of the resolution or such extended or shorter period, as may be permitted under the Act or the Buy Back Regulations or by the appropriate authorities under applicable laws, through the methodology of "Open Market Purchases through the Stock Exchange", in one or more tranches from time to time, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Act and/or the Regulations and any other applicable laws.

RESOLVED FURTHER THAT the Maximum Offer Price, does not indicate that the company will or is obliged to buy or continue to buy Equity Shares so long as the price is below the Maximum Offer Price. Similarly, the Maximum Offer Size and the Maximum Offer Shares do not indicate that the Company will utilize or is obliged to utilize, the entire amount of the Maximum Offer Size in the Buy-back or that the Company will buy or is obliged to buy all the Maximum Offer Shares, subject to compliance with applicable laws and regulations and instructions from appropriate statutory and regulatory authorities.

RESOLVED FURTHER THAT for each tranche the Board or any Committee thereof be and is hereby authorised to finalize the terms of the Buy-back including the price for the Buy-back, the amount to be utilised towards the Buy-back, the number of equity shares to be bought back, the source, the mechanism and the time frame for such Buy-back within the statutory period of this resolution;

RESOLVED FURTHER THAT the Buy-back be and is hereby approved subject to approval(s) as may be necessary from time to time from statutory and other regulatory authorities, including approval from the Securities and Exchange Board of India (the "SEBI") under Regulation 4(2) and other applicable provisions, if any, of the SEBI Takeover Regulations seeking exemption on behalf of the Persons in Control whose shareholding may increase consequent to the Buy-back, from the requirement of making an open offer under the SEBI Takeover Regulations. Such approval to be obtained from SEBI prior to issue of public announcement as required under Regulation 15(c) of the Buy Back Regulations ("Public Announcement") and commencing the Buy-back.

RESOLVED FURTHER THAT the Buy-back is subject to: (i) the Buy-back not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of clause 40A of the listing agreement between the company and Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE" and together with "BSE", the "Stock Exchanges") i.e. maintaining the minimum public shareholding at 25% (ii) the Equity Shares that may be bought back not exceeding the Maximum Offer Shares; and (iii) the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.

RESOLVED FURTHER THAT nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to Buy-back any shares, and/or impair any power of the Company or the Board to terminate any process in relation to such Buy-back if so permissible by law;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper, to be in the best interest of shareholders, including but not limited to the signing of all necessary agreements, appointment & removal of Merchant Bankers, Brokers, Solicitors, Registrars, Advertising Agencies, Compliance Officer, Auditors for Certification purpose, Investor Service Centre and other Advisors, Consultants or Representatives, incidental to the implementation of the Buy-back as also to prefer all applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for preparation and issue of public announcement and filing of public announcement with the SEBI and Stock Exchanges, filing of declaration of solvency certificate and filing of certificate of extinguishment and physical destruction of certificates, all other undertakings, agreements, papers and documents required to be filed in the above connection and to settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back without being required to seek any further consent or approval of the members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of the above resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the authorities conferred as above to any Director(s)/G.M. Legal and Company Secretary of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or Advisors."

Date : 30th December, 2009

By Order of the Board
for Panacea Biotec Ltd.
Sd/-
Vinod Goel
G. M. Legal & Company Secretary

Regd. Office:
Ambala-Chandigarh Highway
Lalru-140501, Punjab.

Explanatory Statement:

The Company intends to purchase its Equity Shares of face value of Re. 1/- each at a price not exceeding Rs.189/- (Rupees One hundred Eighty Nine only) per equity share ("the Maximum Offer Price") not exceeding 55,92,000 Equity Shares ("Maximum Offer Share") with the total aggregate amount to be expended not to exceed Rs. 105,68,88,000 (Rupees One Hundred Five Crore Sixty Eight Lac and Eighty Eight Thousand only) ("Maximum Offer Size") which is within 25% of the Company's Fully Paid-up Equity Share Capital and Free Reserves as per audited Balance Sheet as on March 31, 2009 and not exceeding 25% of the total Paid-up Equity Shares Capital in a Financial Year. As the proposed Buy-back is more than 10% of the total Paid-up Equity Share Capital and Free Reserves of the Company as on March 31, 2009, the consent of the shareholders is sought by way of a Special Resolution pursuant to the provisions of Section 77A(2) of the Companies Act, 1956.

As per the requirements of Section 173(2) read with Section 77A and other applicable provisions, if any, of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("Buy Back Regulations") read with Schedule I of the Buy Back Regulations, the Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Special Resolution on Buy-back of the Company's equity shares, as under:

- The Board of Directors of the Company in its meeting held on 30th December 2009 has in-principle approved the proposal for Buy-back of the Company's own Fully Paid-up equity shares of Re.1/- each (hereinafter referred to as the "Buy-back Offer") in accordance with the provisions contained in Article 3 of Articles of Association of the Company and Section 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 and the provisions contained in the Buy Back Regulations and subject to approval of the Shareholders through Postal Ballot.
- Your Board is of the view that necessity for Buy-back is on account of the following reasons:
 - The share Buy-back offer is being proposed in pursuance of the Company's desire to maximize returns to investors, to reduce total number of shares and enhance overall shareholder value by returning cash to shareholders in an efficient and investor friendly manner. This will be done without in any manner compromising on the high growth opportunities available to the Company.
 - The Buy-back will result in reduction in the overall capital employed in the business, which will, in turn lead to higher earnings per share and enhanced return on equity and return on capital employed, return on net worth, return on assets etc.
 - The Buy-back will also provide a reasonable exit opportunity to those shareholders who so desire, in a manner that does not substantially impact the market price of the Company's Share to their own detriment and that of continuing shareholders.
- The Buy-back offer is proposed to be implemented by the Company from the Open Market through Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') in the manner as may be described in the Companies Act, 1956 and the Buy-Back Regulations and on such terms and conditions as may be determined by the Board of Directors or Committee thereof at the appropriate time. This method of implementing the Buy-back from the Open Market through a stock exchange is one of the approved methods of Buy-back referred in sub-regulation 1 of Regulation 4 of the Buy Back Regulations.
- There will be no Buy-back from any persons through negotiated deals whether through the Stock Exchanges or through spot transactions or through any private arrangement.
- The aggregate Paid-up Equity Share Capital and Free Reserves of the Company as on March 31, 2009 is Rs.513.46 Crore (Rupees Five Hundred Thirteen Crore and Forty Six Lac) and under the provisions of the Companies Act, 1956, the fund deployed for Buy-back offer shall not exceed 25% of the Paid-up Equity Share Capital and Free Reserves of the Company. Accordingly the maximum amount that can be utilized in the present Buy-back Offer is Rs.128.36 Crore (Rupees One Hundred Twenty Eight Crore and Thirty Six Lac). This amount for Buy-back will be financed out of the Company's Free Reserves including credit balance in Securities Premium Account and cash balances and internal accruals/operating cash inflows of the Company.
- The Maximum Price has been arrived at after considering certain parameters such as the book value, earnings trend in the recent past, the future outlook for the industry, average market price of the share in last 6 months, the average price-earnings multiples in the market, possible increase in earnings per share and other relevant factors. As per the provisions of the Companies Act, 1956, the maximum number of equity shares permitted to be bought back in any financial year shall not exceed 25% of the total Paid-up Equity Share Capital of the Company. The maximum number of equity shares which the Company proposes to Buy-back is 55,92,000 shares representing 8.37% of the pre Buy-back Paid-up Equity Share Capital of the Company as on the date of this notice. However, for the maximum amount of Rs.128.36 Crore (Rupees One Hundred Twenty Eight Crore and Thirty Six Lac) available for Buy-back as described in Point No. 5 above, the maximum number of shares which may be bought back at the proposed Maximum Price of Rs.189/- (Rupees One Hundred Eighty Nine only) per share is 67,91,856 equity shares which represents around 10.17% of pre Buy-back Paid-up Equity Share Capital of the Company as on the date of this notice. However, the Company can not buy back Equity Shares to the extent of 10.17% as the same would result in the voting rights of the public falling below the minimum limits of 25% prescribed in clause 40A of the listing agreement between the company and the Stock Exchanges. If the average price of the Buy-back is lower than the

Maximum Offer Price of Rs.189/- (Rupees One Hundred Eighty Nine only) the amount utilized for the Buy-back of shares will be lower than Rs.105,68,88,000 (Rupees One Hundred Five Crore Sixty Eight Lac and Eighty Eight Thousand only) as described in the resolution. The actual reduction in total number of equity shares would depend upon the total number of shares that would be bought in terms of the approval of the shareholders. Hence, there is no specific number of equity shares that the Company proposes to Buy-back. The Special Resolution seeks the approval of the shareholders to authorize the Board to determine the price and number of equity shares to be bought back by the Company within the limits aforesaid.

7. (a) The aggregate shareholding of the Promoters and of Persons in control is 45,937,834 equity shares constituting 68.73% of the issued share capital of the Company as on the date of this notice. Pursuant to the Buy-back of Equity Shares as proposed, and depending on the response to the Buy-back offer, the percentage holding of the Promoters would increase beyond the aforesaid percentage. Such an increase in the percentage holding of the Promoters is consequential and indirect in nature. If all the 55,92,000 equity shares on the Buy-back Offer are bought back by the Company, post Buy-back offer the percentage shareholding of the Promoters and Promoter Group would increase from 68.73% to close to 75%. The company on behalf of Promoters and Promoter Group intends to apply to Securities and Exchange Board of India for exemption under Regulation 4(2) read with Regulation 3(1)(l) of the SEBI (Substantial Acquisition and Takeover) Regulations, 1997 (hereinafter called as "Takeover Regulations") seeking exemption from the applicability of the provisions of Chapter III thereof.
- (b) The details of the maximum and minimum price at which Equity Shares of the Company were either purchased or sold by the Promoters and Persons Acting in Control during the period of last six months preceding the date of the Board Meeting at which the Buy-back is approved i.e. 30th December 2009 are below mentioned in the tabular format.

Sl. No.	Name of Shareholder	No. of Share Bought (Sold)	Maximum Price Per Share	Date	Minimum Price Per Share	Date
1.	Second Lucre Partnership Co.	1,000	135.00	04.11.09	134.95	04.11.09
2.	Mrs. Kanta Rani	3,800 (5,626)	177.80 (194.40)	17.10.09 (24.09.09)	146.75 (120.00)	10.11.09 (09.07.09)

- (c) The Promoters and Persons Acting in Control of the Company shall not participate in the Buy-back.
- (d) The aggregate shareholding of the Promoters and Persons Acting in Control as on date of this Notice and as on a date six months prior to the date of the Board Meeting at which the Buy-back was approved, is given in the following table:

Sl. No.	Name	Designation	Shareholding as on date of notice	Shareholding as on 6 months prior to approval i.e. on 30th June, 2009
1.	Mr. Soshil Kumar Jain	Chairman	5,000,000	5,000,000
2.	Mr. Ravinder Jain	Managing Director	4,646,200	4,646,200
3.	Mr. Rajesh Jain	Jt. Managing Director	4,706,900	4,706,900
4.	Mr. Sandeep Jain	Jt. Managing Director	4,792,100	4,792,100
5.	Ms. Nirmala Jain	N.A.	2,511,000	2,511,000
6.	Ms. Sunanda Jain	N.A.	635,000	635,000
7.	Ms. Meena Jain	N.A.	897,000	897,000
8.	Ms. Pamilla Jain	N.A.	816,500	816,500
9.	Soshil Kumar Jain (HUF)	N.A.	4,953,400	4,953,400
10.	Ravinder Jain (HUF)	N.A.	4,135,000	4,135,000
11.	Rajesh Jain (HUF)	N.A.	4,368,500	4,368,500
12.	Sandeep Jain (HUF)	N.A.	4,105,000	4,105,000
13.	Ankesh Jain	N.A.	307,000	307,000
14.	Harshet Jain	N.A.	299,500	299,500
15.	Nipun Jain	N.A.	300,000	300,000
16.	Priyanka Jain	N.A.	318,000	318,000
17.	Ms. Radhika Jain	Sr. Manager	357,000	357,000
18.	Mr. Sumit Jain	Director Operations and Project	358,500	358,500
19.	Mr. Abhey Kumar Jain	G.M. Corporate Affairs	1,000	1,000
20.	Ms. Anu Jain	N.A.	2,000	2,000
21.	Mr. Ashish Jain	N.A.	500	500
22.	Ms. Kanta Rani	N.A.	114,280	116,306
23.	First Lucre Partnership Co.	N.A.	2,255,815	2,255,815
24.	Second Lucre Partnership Co.	N.A.	57,639	56,639

8. As required under the Companies Act, 1956, the ratio of debt owed by the Company would not be more than twice the Equity Share Capital and Free Reserves of the Company after the Buy-back offer.
9. As per the provisions of the Companies Act, 1956, the Buy-back will be completed within a maximum period of twelve months from the date of passing of the said Special Resolution by the Shareholders. The time frame and the price for the Buy-back will be determined by the Board/Committee thereof within this validity period subject to the limits specified in the above referred resolution.
10. As per the provisions of the Companies Act, 1956, the Company will not be allowed to issue fresh Equity Shares, within a period of six months after the completion of the Buy-back except by way of bonus shares or shares issued in the discharge of subsisting obligations, if any, such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures or foreign currency convertible bonds into equity shares, if any. Currently the Company has no subsisting obligations arising from convertible preference shares or convertible debentures save and except the obligations that may arise upon exercise of conversion option by the holders of Foreign Currency Convertible Bonds aggregating US \$ 36.8 million outstanding as on date which are due for redemption on February 14, 2011.
11. The Company hereby confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
12. The Board of Directors of the Company confirms that they have made a full inquiry into the affairs and prospects of the Company and they have formed the opinion that:

- (a) immediately following the date of passing the special resolution by the shareholders for approving the Buy-back of shares there will be no grounds on which the Company could be found unable to pay its debts;
- (b) as regards its prospects for the year immediately following the date of passing the special resolution by the shareholders for approving the Buy-back of shares, that, having regard to their intentions with respect to the management of the Company's business during that year, and to the amount and character of the financial resources which will in its view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from aforesaid date; and
- (c) in forming their opinion for the above purposes, the Directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956, (including prospective and contingent liabilities).

13. The text of the report dated 30th December, 2009 received from M/s. S. R. Batliboi & Co., Chartered Accountants, the statutory auditors of the Company, addressed to the Board of Directors is reproduced below:

"In connection with the proposal of Panacea Biotec Limited ('the Company'), and as proposed by its Board of Directors at its meeting held on December 30, 2009, to buy back its shares and in pursuance to the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and subsequent amendments thereof, and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report as follows:

- i. We have enquired into the Company's State of Affairs in relation to its audited accounts as on March 31, 2009.
- ii. The Board of directors has proposed to Buy-back the Company's equity to the extent of Rs. 1,056,888,000. The amount of permissible capital payments towards Buy-back of equity shares has been properly determined in accordance with Section 77A(2) of the Act:

Particulars	Amount (Rs. in Lakhs)
Paid up capital as on March 31, 2009*	
66,693,746 equity shares of Re.1/- each fully paid-up	666.93
Forfeited Shares	0.93
Free Reserves as on 31st March 2009*	
General Reserve	1,499.21
Securities Premium	27,627.12
Profit & Loss	21,552.23
Total	51,346.42
Maximum amount permissible for the Buy-back i.e. 25% of total paid-up equity capital and free reserves	12,836.60

* Based on audited stand-alone financial statements of the Company for the year ended March 31, 2009.

- iii. The Board of Directors in its meeting held on December 30, 2009 have formed the opinion as specified in Clause (x) of Schedule I to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within the period of one year from the aforesaid date.

We performed our procedures as stated in paragraph 1 above, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). These procedures include examining evidence supporting the particulars above on a test basis. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.

This report has been prepared for and only for the Company and is in reference to proposed Buy-back of Equity Shares in pursuance of the provisions of Section 77A, 77AA and 77B of the Act and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose saves where expressly agreed by our prior consent in writing.

For S.R. BATLIBOI & Co.
Chartered Accountants

per Rajiv Goyal
Partner
Membership No.: 94549
Place: New Delhi"

14. The Company shall transfer from its Free Reserves a sum equal to the nominal value of the Equity Shares purchased through the Buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance Sheet.
15. In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.
16. All the material documents referred to in the Explanatory Statement such as Memorandum and Articles of Association, relevant Board Resolution, Auditors' Report and their inquiry will be made available for inspection at the below mentioned Registered office of the Company as well as at the Corporate office at B-1 Extn./G-3, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044 of the Company on all working days except Saturday and Holidays between 11.00 a.m. and 1.00 p.m.
17. The proposed resolution seeks to authorise the Board of Directors (including the Executive Committee or any other person authorised by the Board in this regard) to determine the actual price, the timing and number of shares to be bought back, within the aforesaid limit.

Your Directors recommend this Special Resolution as set out in this notice. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, Read with the provision of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Save and except Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain, Directors of the Company, who may be deemed to be concerned or interested in the resolution to the extent of consequential increase in their percentage shareholding/ voting rights in the Company, none of the directors is concerned or interested in the resolution.

Date : 30th December, 2009

Regd. Office :
Ambala-Chandigarh Highway
Lalru-140501, Punjab.

By Order of the Board
for Panacea Biotec Ltd.
Sd/-
Vinod Goel
G.M. Legal & Company Secretary