

## Public Announcement

### For the attention of Equity Shareholders / Beneficial Owners of the Equity Shares of the Company

This Public Announcement ("PA") is made pursuant to the provisions of Regulation 8(1) read with Regulation 15(c) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time ("Buy-Back Regulations") and contains the disclosure as specified in Schedule II to the Buy-Back Regulations.

Mr. Ravinder Jain, vide letter dated April 05, 2010 filed an application, with Securities and Exchange Board of India ("SEBI") seeking exemption under Regulation 4(2) read with Regulation 3(1)(l) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Regulations") on behalf of the promoters group, namely Mr. Soshil Kumar Jain, Dr. Rajesh Jain, Mr. Sandeep Jain, Ms. Nirjala Jain, Ms. Sunanda Jain, Ms. Meena Jain, Ms. Pamilla Jain, Ms. Pampilla Jain, Soshil Kumar Jain (HUF), Ravinder Jain (HUF), Rajesh Jain (HUF), Sandeep Jain (HUF), Mr. Ansh Jain, Mr. Harshat Jain, Mr. Nipun Jain, Ms. Priyanka Jain, Ms. Radhika Jain, Mr. Sumit Jain, Mr. Abhey Kumar Jain, Ms. Anu Jain, Mr. Ashish Jain, Ms. Kanta Rani, Mrs. Nirmala Jain, Ms. Parunoda Co. and Second Lucre Partnership Co., who collectively own 68.73% of the equity shares of Panacea Biotec Limited. SEBI vide its order dated June 23, 2010 granted the exemption to the aforesaid Promoter Group from complying with the Regulation 11(2) of Takeover Regulations with respect to likely increase in their voting rights by 4.75% pursuant to the proposed Buy Back of the equity shares by the Company.

#### OFFER FOR BUY-BACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGE(S)

##### 1. THE BUY-BACK OFFER AND PRICE

- Panacea Biotec Limited (hereinafter referred to as "the Company") hereby announces the Buy-Back ("Buy-Back") of its fully paid-up equity shares of the face value of Re. 1/- each ("Equity Shares" or "Shares") from the existing registered shareholders / beneficial owners of the Equity Shares, other than Promoters Group of the Company, from the Open market through Stock Exchanges by using the electronic trading facilities of the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE") (herein after collectively referred to as "Stock Exchanges") in accordance with Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), pursuant to Article 3 of the Articles of Association of the Company, the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 ("the Buy-Back Regulations") and subject to approval/s as may be necessary, from time to time from statutory authorities including but not limited to SEBI Reserve Bank of India, Stock Exchanges as may be required, at a price not exceeding Rs. 229/- per Equity Share ("Maximum Offer Price") payable in cash, for an aggregate amount not exceeding Rs. 1,280,568,000 (Rupees One Hundred Twenty Eight Crores Five Lac Sixty Eight Thousand only) ("Maximum Offer Size"). The Maximum Offer Size represents 24.94% of the Company's aggregate paid up equity share capital and free reserves as on March 31, 2009 which is less than 25% of the paid-up equity share capital and free reserves of the Company (the date of latest audited standalone accounts as on the date of Board meeting approving the Buy-Back i.e. January 21, 2010).
- The Company proposes to Buy Back upto a maximum of 5,592,000 Equity Shares ("Maximum Offer Shares") of Re 1/- each, and a minimum of 1,000,000 ("Minimum Offer Shares") subject to Buy Back price being less than or equal to Rs. 229/- per share.
- The Maximum Offer Price has been arrived at after considering inter-alia factors such as the stock market quotations, book value, return on net-worth, and possible impact on the earnings per share, industry scenario and impact on other financial parameters due to Buy-Back. The Buy-Back of Equity Shares will be made at a Maximum Offer Price of Rs. 229/- per share which represents a discount of approximately 0.33% and 0.39% to the closing price on BSE and NSE i.e. Rs. 229.75 and Rs. 229.90 respectively, on trading day on the date of the Board Meeting i.e. January 21, 2010. The Maximum Offer Price of Rs. 229/- per share offers a premium of approximately 16.42% and 16.00% to the closing price on BSE i.e. Rs. 191.40 and NSE i.e. Rs. 192.35, respectively, on date of passing the special resolution by approval of shareholders through postal ballot i.e. March 8, 2010.
- The actual number of Shares to be bought back would depend upon the average price paid for the Shares bought back and the amount deployed in Buy Back in accordance with special resolution passed by the shareholders of the Company through postal ballot on March 8, 2010. However, total number of shares to be bought back shall not exceed 5,592,000 Equity Shares.
- The Company's all the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares with calls-in-arrears. As required under the Act and Buy-Back Regulations, the Company shall not purchase Equity Shares which are locked-in or non-transferable in the Buy-Back till the time they become transferable. There will be no negotiated deals (whether on or off the Stock Exchanges), spot transactions or any other private arrangements in implementation of the Buy-Back. This offer is only for buy back of Equity Shares and not for other convertible securities (compulsory or optionally) issued by the Company.
- The Buy-Back has been approved by the Board of Directors on January 21, 2010 and shareholders by Special Resolution passed through Postal Ballot, result of which was announced on March 8, 2010.
- The amount required by the Company for the said Buy Back will be met out from current surplus and / or cash balances and / or internal accruals / operating cash inflows of the Company and not from borrowings.

##### 2. PROPOSED TIME TABLE

Board Meeting approving Buy-Back	January 21, 2010
Approval of Shareholders through Postal Ballot	March 8, 2010
Date of Public Announcement	July 01, 2010
Date of commencement of Buy-Back	July 12, 2010
Acceptance of Equity Shares	As per relevant payout dates of the Exchange(s)
Verification of Shares Accepted in the Physical Mode	Within 7 days from the Payout days
Extinguishment of Shares	Within 15 days of acceptance of Shares as mentioned above. Further, all the Shares bought back within 7 days of the last date of completion of Buy-Back.
Last Date for the Buy-Back	March 7, 2011 (i.e. 12 months from the date of the approval by shareholders through Postal Ballot) or in case Maximum Offer Shares have been bought back or Maximum Offer Size has reached, whichever is earlier. However the Board of Directors of the Company reserves the right to decide to close the Buy-Back offer at an earlier date, in the event Minimum Offer Shares have been purchased under the Buy Back even if Maximum Offer size has not been reached or Maximum Offer shares have not been bought back by giving appropriate notice of such date and completing all formalities in this regard as per laws and regulations. All payment obligations in respect of Buy Back shall be completed prior to the last date of the Buy Back.
Specified Date	Not Applicable as the Buy-Back is proposed to be implemented through Stock Exchanges using the electronic trading facilities.

##### 3. THE AUTHORITY FOR THE BUY-BACK

- Pursuant to Section 77A, 77AA & 77B and all other applicable provisions of the Act, if any, the Buy-Back Regulations and Article 3 and other relevant provisions in the Articles of Association of the Company, the Buy-Back from open market through Stock Exchanges has been duly authorised by
  - A Resolution passed by the Board at its meeting held on January 21, 2010 and
  - A Special Resolution passed by the Shareholders of the Company through Postal Ballot, the result of which was declared on March 8, 2010.
- SEBI has granted an exemption to the Promoter Group under Regulation 4(2) read with Regulation 3(1)(l) of Takeover Regulations, in respect of the Buy-Back, through an Exemption Order dated June 23, 2010.
- MATERIAL FACTS RELATING TO THE BUY-BACK OFFER AND EXTRACT OF EXPLANATORY STATEMENT, AS CIRCULATED TO THE SHAREHOLDERS FOR SEEKING THEIR APPROVAL THROUGH POSTAL BALLOT**

##### Quote

The Board of Directors of your Company has, at its Meeting held on 21st January, 2010, reconsidered the proposal for Buy-Back of shares in the light of the current stock market conditions, prevailing market price of the Company's shares and the professional advice of the merchant bankers appointed by the Board in its meeting held on 30th December, 2009 for the proposed Buy-Back of shares and has decided to obtain your approval for purchase of the Company's own fully paid-up 5,592,000 Equity Shares of the face value of Re 1 each at a price not exceeding Rs. 229/- (Rupees Two Hundred Twenty Nine only) per Equity Share for an aggregate amount not exceeding Rs. 1,280,568,000/- (Rupees One Hundred Twenty Eight Crores Five Lac Sixty Eight Thousand only) (hereinafter referred to as the "Buy-back") in accordance with the above said provisions of the Act and the provisions contained in the 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 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.

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 5,592,000 Equity Shares of the face value of Rs. 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. 1,056,888,000 (Rupees One Hundred Five Crores Sixty Eight Lac and Eighty Eight Thousand only).
- The Board reconsidered the matter at its meeting held on 21st January, 2010, in the light of the current stock market conditions, prevailing market price of the Company's shares and the professional advice of the merchant bankers appointed by the Board for the proposed Buy-Back of shares, and has, in-principle approved the revised proposal for Buy-back of the Company's own Fully Paid-up Equity Shares of face value of Re. 1 each at a price not exceeding Rs. 229 (Rupees Two Hundred Twenty Nine only) ("Maximum Offer Price") per equity share not exceeding Rs. 5,592,000 Equity Shares ("Maximum Offer Size") with the total aggregate amount to be expended not to exceed Rs. 1,280,568,000 (Rupees One Hundred Twenty Eight Crores Five Lac Sixty Eight Thousand only) ("Maximum Offer Amount") (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, and 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 desired, 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. 52,37,46 Crores (Rupees Five Hundred Thirteen Crores 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 Crores (Rupees One Hundred Twenty Eight Crores 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 the recommendations of Merchant Bankers and certain other 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 2 weeks and last 6 months, the average price-earnings multiples in the market, possible increase in earnings per share, current market conditions & prevailing share price in the market 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 5,592,000 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 Crores (Rupees One Hundred Twenty Eight Crores 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. 229 (Rupees Two Hundred Twenty Nine only) per share is 5,605,240 equity shares which represents around 8.39% 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 25% 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. 229 (Rupees Two Hundred Twenty Nine only) the amount utilized for the Buy-back of shares will be lower than Rs. 1,280,568,000 (Rupees One Hundred Twenty Eight Crores Five Lac Sixty 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.
- 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 5,592,000 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.
  - 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. 21st

Sl. No.	Name of Shareholder	No. of Shares 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*	3,600 (2,626)	177.80 (194.40)	17.10.09 (24.09.09)	146.75 (194.00)	10.11.09 (05.10.09)

\* Figures in bracket represent details relating to shares sold.

- The Promoters and Persons Acting in Control of the Company shall not participate in the Buy-back.
- 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 21st July, 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	Dr. Rajesh Jain	Joint Managing Director	4,706,900	4,706,900
4	Mr. Sandeep Jain	Joint Managing Director	4,792,100	4,792,100
5	Ms. Nirjala 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	Harshat 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 Projects	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	113,306
23	First Lucre Partnership Co.	N.A.	2,255,815	2,255,815
24	Second Lucre Partnership Co.	N.A.	57,639	56,639

- 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.
- 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.
- 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.
- 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.
- 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:
  - 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;
  - 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
  - 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).
- The text of the report dated 21st January, 2010 received from M/s. S. R. Bhatnagar & 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 January 21, 2010 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 (Buy-Back 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:

- We have enquired into the Company's State of Affairs in relation to its audited accounts as on March 31, 2009.
- The Board of Directors has proposed to buy-back the Company's fully paid Equity Shares to the extent of Rs. 1,280,568,000. 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)
<b>Paid-up capital as at 31st March, 2009*</b>	
66,693,746 equity shares of Re. 1/- each fully paid-up	666.93
Forfeited Shares	0.93
<b>Free Reserves as on 31st March 2009*</b>	
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	12,836.60
Equity on audited stand alone financial statements of the Company for the year ended March 31, 2009	

- The Board of Directors in their meeting held on January 21, 2010 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.

- 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.
- 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.

##### Unquote

As per the provisions of section 77A(8) of the Act, the Company will not be allowed to issue fresh Equity Shares for a period of 6 months or such other period after the completion of the Buy-back as may be amended by any statutory modification(s) or re-enactment of the Act or Buy-back Regulations for the time being in force. However, this restriction would not apply to issuance of bonus shares or shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares. As on date the Company has outstanding Foreign Currency Convertible Bonds ("FCCBs") for an outstanding amount of US\$ 36.80 Millions due for redemption on February 14, 2011. These FCCBs are convertible by Bondholders in Shares at any time upto February 4, 2011 at a conversion price of Rs.357.57 and the Company may also exercise its option of mandatory conversion subject to certain conditions, and if offered for conversion into Equity will result in an issue of approximately 4,542,752 Equity Shares of Re.1/- each.

##### 5. NECESSITY FOR THE BUY-BACK

- The Company is of the view that the necessity for the 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 desired, 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.

##### 6. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

- The Buy-Back is open to all equity shareholders / beneficial owners of the fully paid-up Equity Shares of the Company, holding shares either in physical and / or electronic form, however the Company shall not Buy-Back the shares from the Promoter Group of the Company, the locked-in Shares or non-transferable Shares or other specified securities till the pendency of the lock-in or till the Shares or other specified securities become transferable.
- As per the Buy-Back Regulations, a Company intending to purchase its shares from the open market shall do so on stock exchanges having nationwide trading terminals. Accordingly the Company proposes to implement the Buy-Back from the open market purchases through the BSE and the NSE using their nationwide trading terminals. Therefore the requirement of having collection and bidding centers is not applicable.
- For the Buy-Back of shares, the Company has appointed following Broker ("the Appointed Broker") through whom the purchases and settlement on account of the Buy-Back of shares would be made:
 

**For Demat and Physical shareholders (BSE and NSE)**  
**Religare Securities Limited**, 4th Floor, GYS Global, Plot No. 11, Sector - 125, Noida, Uttar Pradesh - 201 301, Tel No.: (0120) 3394 565, Fax No.: (0120) 3394 600
- The Buy-Back of shares will be made only through the order matching mechanism except "all or none" order matching system.
- The Company, may from time to time, but not earlier than the date of opening of the Buy-Back which is 12th July 2010 place "buy" orders on BSE and / or NSE to Buy-Back shares through Appointed Broker in such quantity and at such prices not exceeding Maximum Offer Price as it may deem fit, at least once in every week depending upon the prevailing quotations of Shares in the Stock Exchanges. Intimation about the Company's presence in BSE and / or NSE to Buy-Back its Shares will be made available to the market participants of said respective Stock Exchange. The identity of the Company as a purchaser will be displayed on the electronic screen of the Broker/market participant of the Stock exchanges when the order is placed by the Company.
- Shareholders / beneficial owners, who desire to sell their Shares under the Buy-Back, would have to do so through a stockbroker, who is a member of either BSE and / or NSE, by indicating to the stock broker details of the Shares they intend to sell. The trade would be executed at the price at which the order matches and that price would be the price for that seller. The execution of the order, issuance of contract note and delivery of stock to the stockbroker and receipt of payment from the stockbroker would be carried out in accordance with the Stock Exchanges and SEBI requirements.
- It may be noted that all the shares bought back by the Company may not be at a uniform price. Orders for Buy-Back of Equity Shares will be placed by the Company at least once a week at market related prices so long as the market price is lower than the Maximum Offer Price. Such Buy-Back orders shall be placed in both, normal and physical / odd lot segment. The Company shall intimate the Stock Exchanges as well as the public through its release in the newspapers regarding quantity of Shares purchased and amount utilized for Buy-Back as prescribed by the Buy-Back Regulations.
- The Shares of the Company are traded in the compulsory demat mode under the trading code 531349 at BSE and PANACEABIO at NSE. Shareholders holding Shares in physical form can sell their Shares in the odd lot trading segment on the Stock Exchanges.
- Subject to the Company purchasing Minimum Offer Shares, nothing contained herein shall create any obligation on the part of the Company or the Board to Buy-Back any Equity Shares or confer any right on the part of shareholder to offer any Equity Shares for Buy-Back, even if the Maximum Offer Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buy-Back, if so permissible by law.

##### 7. METHOD OF SETTLEMENT

- While the requirement of opening an escrow account is not applicable as the Buy-Back is from the open market through Stock Exchanges, the Company will pay the consideration to the Appointed Broker on or before every settlement date as applicable in respect of shares bought back as applicable to the respective Stock Exchange.
- The shareholders / beneficial owners holding shares in the demat form would be required to transfer the number of shares sold by them by tendering the delivery instruction to their respective Depository Participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the pool account of the stockbroker through whom the trade was executed. The shareholders holding shares in physical form may present the share certificates along with valid transfer deeds to their stockbroker through whom the trade was executed.
- The Company has opened a Depository Account styled "Panacea Biotec Limited" with Religare Securities Limited. Shares bought back in the demat form would be transferred into the aforesaid account by the Appointed Broker on receipt of shares from the clearing and settlement mechanism of BSE and NSE. The ISIN of the Company is INE922B01023.
- The Company shall complete the verification of acceptances within seven days of the relevant payout dates of the Exchanges. The Company shall extinguish and physically destroy the security certificates so bought back in the presence of the Company's Registrar and Share Transfer Agents or the Merchant Banker and the Statutory Auditor within fifteen days of the date of acceptance of the shares. In case the shares bought back are in dematerialized form the same will be extinguished in the manner specified in Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the by-laws framed there under.
- The Company will extinguish all the shares bought back within seven days of the last date of completion of Buy-Back.
- MAXIMUM AMOUNT TO BE INVESTED UNDER THE BUY-BACK AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND THE COST OF FINANCING THE BUY-BACK**
- The maximum amount which the Company would deploy for the Buy-Back is upto or less than Maximum Offer Size of Rs. 1,280,568,000 (Rupees One Hundred Twenty Eight Crores Five Lac Sixty Eight Thousand only).
- The Company proposes to Buy-Back its fully paid up Equity Shares of face value of Re 1/- each, subject to maximum number of 5,592,000 Equity Shares ("Maximum Offer Shares") and minimum number of 1,000,000 Equity Shares ("Minimum Offer Shares") at a price not exceeding Rs. 229/- ("Maximum Offer Price") per Equity Share payable in Cash for an amount upto or less than a maximum amount of Rs. 1,280,568,000 ("Maximum Offer Size") subject to:
  - the Buy-Back not causing the Company to be in violation of the conditions for continuous prescribed in terms of clause 40A of the listing agreement between the Company and the Stock Exchanges, i.e. maintaining the public shareholding at 25% or more; and
  - the aggregate consideration payable pursuant to the Buy-back not exceeding the Maximum Offer Size.
- The Minimum Offer Shares to be bought back shall be subject to availability of shares upto Maximum Offer Price on regular basis throughout the validity of Buy-Back offer.
- Subject to other provisions contained in the resolution passed at the Board Meeting, the actual number of shares to be bought back would depend upon the average price paid for the Shares bought back and the amount deployed in the Buy-Back. The Board shall however have the discretion to determine the actual Buy-Back size, subject to Maximum Offer Shares and Minimum Offer Shares.
- The funds for the Buyback will be available from the current surplus and / or cash balances and / or internal accruals/operating cash inflows of the Company. The cost of financing the Buyback would therefore be a notional loss of income that the funds used for buyback would have earned had they been deployed in the ordinary course of the Company's business. Though the Company does not propose raising of debt for effecting the Buy back, it may however continue to borrow funds in the ordinary course of its business.

**10. BRIEF FINANCIAL INFORMATION OF THE COMPANY**

The brief audited (consolidated) financial information of the Company for the last three financial years is provided below.

(In Rupees Million)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Net Sales	9,001.50	7,881.72	8,413.44
Other Income	936.35	311.96	382.93
Total Income	9,937.85	8,193.68	8,796.37
Profit Before Tax	1,127.71	(866.66)	1,876.03
Net Profit after Tax	817.18	(654.81)	1,341.58
Equity Dividend (including Dividend Distribution Tax)	19.55*	-	78.03
Paid Up Equity Share Capital	66.84	66.79	66.79
Reserves & Surplus	6,940.44	6,100.72	6,894.30
Net Worth (Refer Note 1)	5,985.37	5,146.50	5,938.77

Key Ratios	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Basic Earnings per Share (Rs.) (Refer Note 2)	12.24	(9.82)	19.51
Diluted Earnings per Share (Rs.) (Refer Note 2)	11.46	(9.82)	18.25
Book value per Share (Rs.) (Refer Note 3)	104.80	92.41	104.29
Return on Net Worth (Refer Note 4)	13.65 %	(12.72 %)	22.59 %
Debt-Equity Ratio (Refer Note 5)	1.18	1.37	0.67

\*proposed

Note	Ratio/Term	Formula
1	Net Worth	Share Capital + Free Reserves (excluding revaluation, Capital Reserve and Capital Redemption reserve) - Miscellaneous Expenditure
2	Basic and Diluted Earnings per Share (Rs.)	Net Profit attributable to equity shareholders/Total weighted average no. of Shares outstanding during the year
3	Book value per Share (Rs.)	(Paid up equity Share Capital + Reserves and Surplus-Miscellaneous Expenditure)/Total no. of Shares outstanding at the end of the year
4	Return on Net Worth	Net Profit After Tax / Net Worth
5	Debt - Equity Ratio	Loan funds / Net Worth

**11. LISTING DETAILS AND STOCK MARKET DATA**

11.1. The Equity Shares of the Company are listed and traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. (Scrip Code No. 531349 for BSE and PANACEABIO for NSE). The stock code of Foreign Currency Convertible Bonds s(FCCBs) listed on Singapore Stock Exchange Ltd. (SGX) is XS024388830.

11.2. The high, low and average market prices for the last three years and the monthly high, low and average market prices for the six months preceding this Public Announcement and the corresponding volumes on BSE and NSE, where the Shares of the Company are traded are as follows:

Source: Bombay Stock Exchange, www.bseindia.com

Period	High Price	Date of High Price	No. of Shares Traded on date of High Price	Low Price	Date of Low Price	No. of Shares Traded on date of Low Price	Weighted Average Price #	Total Traded Quantity in the Period	Total Traded Value (Rs. Lacs) in the Period
2007	493.95	19/02/2007	361,594	315.35	30/11/2007	1,837	409.95	5,514,634	22,607.13
2008	442.95	09/01/2008	11,658	123.20	24/11/2008	32,693	257.96	7,700,311	19,864.08
2009	212.00	31/12/2009	65,648	51.00	02/02/2009	13,552	139.94	4,763,903	6,666.60
Dec' 09	212.00	31/12/2009	65,648	180.00	02/12/2009	25,120	196.75	975,855	1,991.99
Jan' 10	234.90	20/01/2010 & 21/01/2010	18,952 & 12,340	193.35	04/01/2010	16,438	216.47	1,026,187	2,221.41
Feb' 10	226.00	02/02/2010	4,374	180.00	26/02/2010	14,407	200.97	427,254	858.67
Mar' 10	248.00	30/03/2010	246,974	159.50	08/03/2010	17,648	211.31	1,070,665	2,262.37
Apr' 10	237.95	08/04/2010	14,432	211.50	19/04/2010	4,826	225.96	339,422	766.96
May' 10	240.80	04/05/2010	233,647	160.05	25/05/2010	10,077	201.79	1,059,737	2,138.42
June 01 to 29, 2010	216.10	23/06/2010	1,629,019	162.10	08/06/2010	9,284	189.24	3,032,780	5,739.24

# Weighted Average Price (Total Turnover/Total Traded Qty) for all trading days during the said period.

Source: The National Stock Exchange, www.nseindia.com

Period	High Price	Date of High Price	No. of Shares Traded on date of High Price	Low Price	Date of Low Price	No. of Shares Traded on date of Low Price	Weighted Average Price #	Total Traded Quantity in the Period	Total Traded Value (Rs. Lacs) in the Period
2007	499.90	15/02/2007	172,580	337.15	27/08/2007	120,633	408.63	8,787,047	35,906.08
2008	440.00	09/01/2008	27,807	123.45	24/11/2008	143,035	262.59	21,877,135	57,447.03
2009	215.00	31/12/2009	150,632	50.00	02/02/2009	36,854	134.47	10,243,981	13,774.75
Dec' 09	215.00	31/12/2009	150,632	180.50	01/12/2009	58,680	199.34	1,271,854	2,535.26
Jan' 10	238.90	11/01/2010	29,012	193.10	04/01/2010	40,371	217.98	2,023,374	4,410.53
Feb' 10	224.40	01/02/2010	10,868	180.00	26/02/2010	21,572	196.70	532,540	1,047.50
Mar' 10	246.75	30/03/2010	742,476	174.20	19/03/2010	21,101	216.21	2,559,970	5,534.87
Apr' 10	234.90	06/04/2010	28,882	207.00	19/04/2010	8,278	226.24	694,263	1,570.70
May' 10	241.80	04/05/2010	499,396	150.30	21/05/2010	51,691	201.21	2,289,224	4,606.08
June 01 to 29, 2010	216.00	23/06/2010	2,530,096	162.00	09/06/2010	11,899	188.00	4,944,929	9,296.41

# Weighted Average Price (Total Turnover/Total Traded Qty) for all trading days during the said period.

11.3 The closing market price on the date of the Board Meeting i.e. January 21, 2010 was Rs. 229.75 per share on BSE and Rs. 229.90 per share on NSE. The closing market price on date of passing the special resolution by approval of shareholders through postal ballot i.e. March 8, 2010 was Rs. 191.40 per share on BSE and Rs. 192.35 per share on NSE (Source: www.bseindia.com & www.nseindia.com)

**12. PRESENT CAPITAL STRUCTURE AND SHARE HOLDING PATTERN**

12.1. The Share Capital Structure of the Company as on March 31 2010 is as follows:

Particulars	Amount (Rupees)
<b>Authorised Capital</b>	
125,000,000 Equity Shares of Re. 1/- each	125,000,000
110,000,000 Preference Shares of Rs. 10/- each	1,100,000,000
<b>Issued, Subscribed and Paid Up Capital</b>	
66,842,746 Equity Shares of Re. 1/- each	66,842,746

Notes :

- There are no partly paid up Equity Shares of the Company.
- There are no outstanding instruments convertible into Equity Shares except the following, as on date of this Public Announcement:

Type of Instrument	Detail	No. of Outstanding Instruments	Equity shares that may be allotted on conversion
FCCB	Zero Coupon FCCBs for an outstanding amount of US\$ 36.80 Million due for redemption on Feb. 14, 2011. FCCBs are convertible by Bondholders in Shares at any time upto February 4, 2011 at a conversion price of Rs. 357.57. The Company may also exercise its option of mandatory conversion subject to certain conditions.	36,800,000	4,542,752 Equity Shares of Re.1/- each

- As per the provisions of the Act and the Buy-back Regulations, the Company shall not make any issue of Equity Shares during the Buy-back period, whether pursuant to a bonus issue or conversion of an outstanding convertible instrument or otherwise.

12.2 The shareholding pattern of the Company as on March 31, 2010 is as follows:

Category of Shareholders	Present Shareholding Pattern		Post Buy-Back Shareholding Pattern *	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Promoters Shareholding</b>				
Indian	45,937,834	68.73	45,937,834	74.99
<b>Public Shareholding</b>				
<i>Institutions</i>				
Mutual Funds/ UTI	2,402,428	3.59		
Financial Institutions/ Banks	34,884	0.05		
Foreign Institutional Investors	8,477,806	12.68	15,312,912	25.01
<i>Non-Institutions</i>				
Bodies Corporate	6,433,286	9.62		
Individuals	3,212,349	4.80		
Others	344,159	0.51		
<b>Total</b>	<b>66,842,746</b>	<b>100.00</b>	<b>61,250,746</b>	<b>100.00</b>

\* Assuming Maximum Offer Shares are bought back. However, the actual shareholding pattern post Buyback would depend upon the actual number of Equity shares bought back while the actual number of Equity shares to be bought back would depend upon the average price paid for the Equity Shares bought back and the amount deployed in the Buyback

12.3 The Company shall not issue any Equity Shares including by way of bonus or convert any outstanding warrants or ESOPs / outstanding instruments into Equity Shares or re-issue forfeited Shares till the date of closure of the Buy-Back offer.

12.4 As per the provisions of Section 77A(8) of the Act, the Company will not issue fresh Equity Shares within a period of 6 months after the completion of the Buy-Back except by way of bonus Shares or Shares issued in the discharge of subsisting obligations 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.

**13. SHAREHOLDING OF THE PROMOTERS**

13.1 The aggregate shareholding of the Promoter Group as on the date of Public Announcement is 45,937,834 Equity Shares constituting 68.73% of the fully paid up equity share capital of the Company.

13.2 Detailed break up of shareholding of the promoter group as on date of Public Announcement is as below:

Sl. No.	Name of Promoter	No. of Equity Shares Held	% of Total Paid Up Equity Capital	Sl. No.	Name of Promoter	No. of Equity Shares Held	% of Total Paid Up Equity Capital
1	Mr. Soshil Kumar Jain	5,000,000	7.48	14	Harshet Jain	299,500	0.45
2	Mr. Ravinder Jain	4,646,200	6.95	15	Nipun Jain	300,000	0.45
3	Dr. Rajesh Jain	5,713,500	8.55	16	Priyanka Jain	318,000	0.48
4	Mr. Sandeep Jain	4,792,100	7.17	17	Radhika Jain	357,000	0.53
5	Ms. Nirmala Jain	2,511,000	3.76	18	Sumit Jain	358,500	0.54
6	Ms. Sunanda Jain	635,000	0.95	19	Abhey Kumar Jain	1,000	0.00
7	Ms. Meena Jain	897,000	1.34	20	Anu Jain	2,000	0.00
8	Ms. Pamilla Jain	816,500	1.22	21	Ashish Jain	500	0.00
9	Soshil Kumar Jain (HUF)	3,946,800	5.90	22	Kanta Rani	114,280	0.17
10	Ravinder Jain (HUF)	4,135,000	6.19	23	First Lucre Partnership Co.	2,255,815	3.37
11	Rajesh Jain (HUF)	4,368,500	6.54	24	Second Lucre Partnership Co.	57,639	0.09
12	Sandeep Jain (HUF)	4,105,000	6.14		<b>Total</b>	<b>45,937,834</b>	<b>68.73</b>
13	Ankesh Jain	307,000	0.46				

13.3 The Promoters & Promoter group have neither purchased nor sold any shares during the period of twelve months preceding the date of public announcement except the numbers mentioned below:

Sl. No.	Name of Shareholder	No. of Shares Bought (Sold)	Maximum Price Per Share	Date	Minimum Price Per Share	Date
1	Mrs. Kanta Rani	5,739 (7,765)	195.00 (194.40)	11.03.10 (24.09.09)	146.75 (120.00)	10.11.09 (09.07.09)
2	First Lucre Partnership Co.	8,343	133.00	30.06.09	131.90	30.06.09
3	Second Lucre Partnership Co.	1,000	135.00	04.11.09	134.95	04.11.09

**14. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF BUY-BACK ON THE COMPANY**

14.1 The Buyback is not likely to cause any material impact on the earnings of the Company and the Buyback will optimise returns to the shareholders and enhance overall shareholders value.

14.2 As per Regulation 15(b) of Buyback Regulations, the Buyback of Shares shall not be made from the Promoters or persons acting in concert or persons in control or promoter group or Directors of the Promoters, where Promoter is a Company (collectively referred to hereinafter as "the Promoters"). The Promoters of the Company will not participate in the Buyback and shall not deal in the Equity Shares of the Company in the Stock Exchanges during the period for which the Buyback offer is open.

14.3 Consequent to the Buyback and based on the number of Shares bought back from the shareholders excluding the Promoters group, the shareholding pattern of the Company would undergo a consequential change however public shareholding shall not fall below 25% of the total fully paid up equity capital of the Company.

14.4 The Buyback of Shares will not result in a change in control or otherwise affect the existing management structure of the Company, except likely increase in the Promoters Shareholding/voting rights pursuant to the proposed Buyback.

14.5 The debt-equity ratio post the Buyback will be below the maximum allowable limit of 2:1 set by the Act.

14.6 The Buyback of Equity Shares will be completed within a period of 12 months from the date of passing of the resolution by the Shareholders and shall not withdraw the offer of Buyback after the Public Announcement is made. However, the Board of the Company reserves the right to decide to close the Buy-Back offer at an earlier date, in the event Minimum Offer Shares have been purchased under the Buy Back even if Maximum Offer size has not been reached or Maximum Offer shares have not been bought back, by giving appropriate notice of such date and completing all formalities in this regard as per laws and regulations.

**15. STATUTORY APPROVALS**

15.1 Pursuant to Sections 77A, 77AA and 77B and other applicable provisions of the Act and the Buy-back Regulations, the present Offer of Buy-Back of Equity Shares of the Company from Open Market through the Stock Exchanges has been duly authorized by a resolution passed by the Board at its meeting held on January 21, 2010 and by special resolution passed by the shareholders through postal ballot on March 8, 2010.

15.2 SEBI has granted the Exemption through the SEBI Order dated June 23, 2010 passed under Regulation 4(2) of the Takeover Regulations in respect of the Buy-Back.

15.3 No other statutory approvals are required to be obtained for the Buy-Back. In case required, the Company shall obtain such other approvals as may be prescribed from time to time.

**16. COMPLIANCE OFFICER & INVESTOR SERVICE CENTRE**

<b>Compliance Officer</b>	<b>Investor Service Centre</b>
Mr. Vinod Goel, G. M. Legal & Company Secretary	M/s Skyline Financial Services Private Ltd.
Panacea Biotech Limited	246, 1st Floor, Sant Nagar,
B-1 Extn. / G-3, Mohan Co-op. Industrial Estate,	Main ISKCON Temple Road
Mathura Road, New Delhi - 110 044,	East of Kailash, New Delhi - 110 065
Tel.: +91-11-4167 9000, Fax: +91-11-4167 9075,	Tel.: +91-11-2629 2680, Fax: +91-11-2629 2681,
Email: vinodgoel@panaceabiotech.com	Email: admin@skylineria.com

Investor may contact the Compliance Officer or Investor Service Centre for any clarification or to address their grievances, if any, during 10.00 A.M. to 5.00 P.M. on all working days except holidays.

**17. MANAGER TO THE BUY-BACK**

The Company has appointed SPA Merchant Bankers Limited as the Manager to the Buy-Back and their contact details are given below:

<b>SPA MERCHANT BANKERS LIMITED</b>
<b>SEBI Regn. No.: INM000010825</b>
25, C-Block Community Centre,
Janak Puri, New Delhi - 110058,
Tel. No. +91-11-2551 7371, Fax No. +91-11-2553 2644
Email ID: panacea.buyback@spagroupindia.com
Contact Person: Mr. Nitin Somani / Mr. Ankit Parwal

**18. DIRECTORS' RESPONSIBILITY**

As per Regulations 19(1)(a) of the Buy-Back Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement.

For and on behalf of the Board of Directors of <b>PANACEA BIOTECH LIMITED</b>	
(sd/-) <b>Ravinder Jain</b> Managing Director	(sd/-) <b>Dr. Rajesh Jain</b> Jt. Managing Director
(sd/-) <b>Vinod Goel</b> G.M. Legal & Company Secretary	
Place : New Delhi	Date : June 30, 2010