

Shareholders' Information

The Company has on 3rd June, 2008 completed dispatch of Postal Ballot Notice along with Postal Ballot Form and self addressed postage pre-paid reply envelop, in relation to Special Resolutions under Section 17 & Section 149(2A) of the Companies Act 1956, for alteration in the object clause by way of inserting new sub-clause 39, 40 & 41 after the existing sub-clause 38 of Clause III-C (Other Objects) and for commencement of business as specified in the said sub-clauses respectively.

The Postal Ballot Form duly completed and signed by the members should reach the Scrutinizer not later than the close of working hours on **Wednesday 2nd July 2008**. All Postal Ballot Forms received after the said date will be strictly treated as if reply from such Members has not been received.

A Member who did not get the Postal Ballot Form may request for a duplicate postal ballot form, if so required.

A person who has become a Member after 30th May 2008 (cut-off date for ascertaining the members entitled to notice) but before 3rd June 2008 (the date of dispatch) may obtain the Postal Ballot Form from the company and vote on the Resolution by Postal Ballot. The voting rights of the members shall be reckoned as on 3rd June 2008.

A Postal ballot notice is placed below for your information only.

Panacea Biotec Limited

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

Postal Ballot Notice

(Pursuant to Section 192A of the Companies Act, 1956)

30th April, 2008

Dear Member(s),

As per Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, proposal for alteration in Objects Clause of Memorandum of Association has to be approved by the shareholders of the Company by way of a Postal Ballot. Similarly the approval of shareholders under Section 149(2A) of the Act for commencement of any object(s) covered under Other Objects Clause of the Memorandum of Association can be obtained by way of Postal Ballot.

Accordingly, we are appending the Postal Ballot Form and the draft Resolutions along with Explanatory Statement pertaining the said Resolutions explaining in detail the material facts, for your consideration.

You are requested to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give your assent or dissent on the resolution(s) at the end of the Form and sign the same and return the Form duly completed in the attached self-addressed, postage prepaid envelope so as to reach the Scrutinizer before the close of working hours, on or before, **Wednesday, 2nd July, 2008** at the Company's Corporate Office at B-1 Extn./G-3, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110044.

The Company has appointed Mr. Sandeep Agarwal of M/S. U.S. & Associates, Company Secretaries, as Scrutinizer to scrutinize the Postal Ballots in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman and the result of postal ballot will be announced by the Chairman on 14th day of July, 2008.

Members may please note that a resolution will be deemed to have been passed as special resolution if the votes cast in favour are atleast three times than the votes cast against and would be deemed to have been passed at General Meeting.

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

By order of the Board
For **Panacea Biotec Ltd**

Date: 30th April, 2008

Vinod Goel
Company Secretary

Enclosures:

1. Resolutions along with Explanatory Statement.
2. Postal Ballot Form & self-addressed postage prepaid envelope.

Draft Resolutions

1. To consider and, if thought fit, to pass the following resolutions as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Objects Clause of the Memorandum of Association of the Company be altered by adding the following new sub-clauses 39, 40 and 41 after the existing sub-clause 38 of Clause III-C (Other Objects):

39. To acquire, establish, run and maintain hospital(s) for the reception and treatment of persons suffering from illness, or mental defect or for the reception and treatment of persons during convalescence, or of persons requiring medical attention, or rehabilitation, to provide medical relief to the public in all branches of medical sciences by all available means, to run, own, manage, administer, Diagnostic Centres, Scan Centres, Nursing Homes, Clinics, Dispensaries, Maternity Homes, Child Welfare and Family Planning Centres, Clinical Research Organisation, Clinical, Pathological testing laboratories, X-Ray and ECG Clinics in India and abroad, to act as Consultant and Advisors providing technical know-how, technical services and allied services for the establishment, operation and improvement of Nursing Homes, Hospitals, Clinics, Medical Institutions, Medical Centres, Diagnostics Centres and Laboratories In India and abroad, to carry out medical research by engaging in the research and development of all fields of medical sciences, and in therapies of medical treatment, so as to afford medical relief in a better way, to provide research facilities for carrying on research, basic and applied, in all systems and discipline or medical and surgical knowledge, to develop pharmacological standardization of indigenous medical plant, to encourage and discover new medical and/or surgical management of disease and affections and to investigate and make known the nature and merits of investigations and findings and research in the said field and to acquire any processes upon such terms as may seem expedient and to improve the same and undertake the manufacture of any product developed, discovered or improved and/or to give licences for the manufacture for the same to other and either to market the same or to grant licenses to other(s) to market the same on such terms as may be deemed fit, to provide, encourage, initiate or promote facilities for the discovery, improvement or development of new method of diagnosis, understanding and treatment of diseases.
40. To establish and run health portal, web sites, medical transcription centres, data processing/computer centres, retail chains, e-commerce, and to offer wholesale, retail, e-commerce facilities, health constancy and data processing and other services that are normally offered by health portal, web sites, medical transcription centres, data processing/computer centres, retail chains, etc. to individuals, business and other type of customers and to impart training of Electronic data processing, Computer Software and Hardware, to customers and others and to carry on the business of manufacturers, producers, makers, convertors, repairers, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in computers, data processors, calculators, tabulators, machines, appliances, accessories, devices and instruments, of every kind and activation for use for industrial, commercial, scientific, medical, statistical, or any other purpose and any product or products thereof or materials, articles, software and hardware used in the operation of or otherwise in connection therewith or ancillary thereof.

41. To carry on the development and operation of Special Economic Zones across India in Healthcare, Biotechnology and related sector and to carry on all kinds of businesses in Special Economic Zones across India or the business of construction, civil contractors, or erection and to layout, develop, purchase, construct, build, erect, demolish, re-erect, alter, improve, repair, furnish, decorate, maintain, take on lease, exchange or in any other lawful manner acquire any land, building, immovable properties or super structures of any tenure or description, whether residential, commercial, industrial, agricultural or otherwise, or the rights, titles or interests therein or connected therewith or to hold, occupy, underlet, mortgage, lease, allot, let out or dispose of the same in full or in part, by outright sale or by any other mode of disposition, to enter into agreements of all kinds relating to the development, operation and business of Special Economic Zones across India or to undertake structural, architectural or engineering work of any kind as well as prepare estimates, designs, drawings, specifications, or models for such purposes or to enter into all kinds of joint ventures or collaborations for the aforesaid.

RESOLVED FURTHER THAT Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Mr. Rajesh Jain, Joint Managing Director, Mr. Sandeep Jain, Joint Managing Director, Mr. Sumit Jain, Director (Operations & Projects) and Mr. Vinod Goel, Company Secretary of the Company be and are hereby severally authorised to file necessary documents with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

2. To consider and, if thought fit, to pass the following resolutions as SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the approval of the shareholders be and is hereby accorded to the Company for commencement of business as specified in the sub-clauses 39, 40 and 41 of Clause III-C (Other Objects) of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Mr. Rajesh Jain, Joint Managing Director, Mr. Sandeep Jain, Joint Managing Director, Mr. Sumit Jain, Director (Operations & Projects) and Mr. Vinod Goel, Company Secretary of the Company be and are hereby severally authorised to file necessary documents with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 1 & 2

As the members are aware, at present your Company is carrying on the business of research, manufacturing, marketing and exporting certain pharmaceutical products and vaccines. The Board of directors had, in their meeting held on 24th July, 2007 decided to expand its activities further to achieve the goal of complete Health Management Company and to provide some other services like acquiring, establishing, running and maintaining hospital(s) etc. for the treatment of persons suffering from illness or mental defect or other mental disorders and running & maintaining of health portals & web-sites and also to develop and operate Special Economic Zone through one or more of its subsidiaries. The Company also proposes to acquire shares in existing Company(ies) which are either running or setting-up hospitals, etc., either directly or through its one or more of its affiliates.

Accordingly, it has been found desirable that the Objects Clause of the Memorandum of Association of the Company be amended suitably so as to include the said objects therein. As per the provisions of Section 17 of the Companies Act 1956, it has been made mandatory to get the approval of shareholders by passing Special Resolution before initiating any change in the existing Object Clause. Similarly Section 149(2A) of the Act requires prior approval of shareholders by passing Special Resolution for commencement of any business covered under Other Objects Clause of the Memorandum of Association.

Further, as per the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the above approvals pursuant to Section 17 for alteration in Objects Clause of Memorandum of Association has to be approved by the shareholders of the Company by way of a Postal Ballot. Similarly the approval of shareholders under Section 149(2A) of the Act for commencement of any object(s) covered under Other Objects Clause of the Memorandum of Association can be obtained by way of Postal Ballot. Accordingly, the Board of Directors of your Company had, in its meeting held on 30th April, 2008 decided to obtain the above said approvals for amendment in the Objects Clause and commencement of new business as above.

Therefore, these resolutions are being sent to seek your consent, by way of Postal Ballot as per the requirements of the Companies Act, 1956.

Your Directors recommend the resolutions as set out above for your approval.

A copy of Memorandum & Articles of Association and a copy of Board Resolutions dated 24th July, 2007 and 30th April 2008 are open for inspection by members on any working day during 11.00 A.M. to 1.00 P.M. up to the date of declaration of results of postal ballot at the registered office of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

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

By order of the Board
For **Panacea Biotec Ltd**

Date: 30th April, 2008

Vinod Goel
Company Secretary