

June 17, 2020

The Manager, Listing Department  
The National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051  
NSE Symbol : PANACEABIO

BSE Limited  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
BSE Scrip Code: 531349

**Sub: Postal Ballot Notice**

Dear Sir,

This is in continuation to our letter dated June 16, 2020 intimating the approval of the Board of Directors of the Company, for setting up of a Joint Venture Company in the name of Panacea Refana Ltd. for development, manufacturing and distribution of the Covid-19 vaccine and seeking shareholders' approval through postal ballot process.

In this regard, please find enclosed a copy of the Notice of Postal Ballot ("Notice") being sent to the shareholders through email for the purpose of obtaining approval of the shareholders by way of special resolution on the following matters:

1. Authority for making 50% capital contribution of an amount equivalent upto Euro 25,000 or INR 2.00 million, whichever is higher, in the proposed Joint Venture Company for Covid-19 Vaccine;
2. Approval of 'Panacea Biotec Limited - Employee Stock Option Plan 2020'; and
3. Approval of grant of employee stock options to the employees of the subsidiary company of the Company under Panacea Biotec Limited - Employee Stock Option Plan 2020.

In terms of the General Circular Nos.14/2020, 17/2020 and 22/2020 dated April 08, 2020, April 13, 2020 and June 15, 2020, respectively issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), the Notice has been / is being sent only by email to those shareholders whose names appear in the Register of Members as on the Cut-Off Date i.e. Friday, June 12, 2020 and who have registered their email addresses with the Company or depository / depository participants.

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Further, in compliance with Regulation 44 of the SEBI LODR Regulations and the MCA Circulars, the Company has provided only remote e-voting facility to its members to enable them to cast their votes electronically instead of physical mode and for this purpose the Company has availed the services of National Securities Depository Limited to provide the remote e-voting facility. The procedure/instructions for remote e-voting are given in the Notice. The remote e-voting period commences on Thursday, June 18, 2020 (from 09:00 a.m. IST) and ends on Friday, July 17, 2020 (upto 05:00 p.m. IST).

In light of the MCA Circulars, shareholders who have not registered their email address and in consequence could not receive the e-voting notice may temporarily get their email registered with the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited, by clicking the link: <http://www.skylinerta.com/EmailReg.php> and following the registration process as guided thereafter. Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and the Password to enable e-voting for this Postal Ballot. In case of any queries, shareholder may write to [compliances@skylinerta.com](mailto:compliances@skylinerta.com). This is for your kind information and record please.

Thanking you,

Sincerely yours,  
For **Panacea Biotec Ltd.**



**Vinod Goel**  
Group CFO and Head Legal  
& Company Secretary

## Panacea Biotec Limited

(CIN: L33117PB1984PLC022350)

Regd. Office: Ambala-Chandigarh Highway, Lalru - 140 501, Punjab  
Corp. Office: B-1 Extn./G-3, Mohan Co-operative Indl. Estate, Mathura Road, New Delhi - 110 044  
Website: www.panaceabiotec.com E-mail: companysec@panaceabiotec.com  
Tel: +91 11 41679000 Fax: +91 11 41679070

### NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars (as defined below)]

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (**"the Act"**) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (**"the Rules"**), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**"SEBI LODR Regulations"**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), any other applicable laws and regulations and in accordance with the General Circulars issued by the Ministry of Corporate Affairs (**"MCA"**) vide Nos. 14/2020, 17/2020 and 22/2020 dated April 08, 2020, April 13, 2020 and June 15, 2020, respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" issued by MCA (**"MCA Circulars"**), that the resolutions appended herein below are proposed to be passed by the Members of Panacea Biotec Limited (**"the Company"**) as special resolutions through postal ballot, only by way of voting by electronic means (**"remote e-voting"**). The Explanatory Statement pursuant to Section 102 of the Act pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed herewith for your consideration.

Pursuant to the said MCA Circulars, in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, the companies have been advised to take all decisions requiring members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / remote e-voting in accordance with the provisions of the Act and rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. The MCA has clarified that for the companies that are required to provide e-voting facility under the Act, while they are transacting any business(es) only by postal ballot, upto September 30, 2020, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Company will send Postal Ballot Notice only by email to all its shareholders who have registered their email addresses with the Company or depository participants and the communication of assent / dissent of the members will only take place through the remote e-voting system.

In this regard, please also note that the Company had earlier issued Notice dated February 14, 2020 for convening an Extraordinary General Meeting (**"EGM"**) of the Shareholders of the Company on March 28, 2020 to approve the matters relating to **'Panacea Biotec Limited - Employee Stock Option Plan 2020'** as covered in this Postal Ballot Notice. However, in view of the lockdowns/ curfew notified by various state governments including the state of Punjab and considering other safety concerns due to the novel coronavirus (**"COVID-19"**) outbreak and pandemic status, the said EGM was postponed and was proposed to be rescheduled to be held after March 31, 2020. However, in view of the continuing lockdowns and restrictions on travel etc. due to safety concerns and in the light of the MCA circulars providing specific provisions for conducting postal ballot through remote e-voting only to promote social distancing, it has been decided not to convene the said EGM and the same stands cancelled.

The Board of Directors of the Company had accordingly decided to obtain the consent of the members by way of Postal Ballot through remote e-voting for the matters as mentioned in the Resolutions appended below including the matters earlier proposed to be passed in the said EGM. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.

Further, in compliance with the requirements of the MCA Circulars, physical copy of the Postal Ballot Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the shareholders for this Postal Ballot and the shareholders are required to communicate their assent or dissent through the remote e-voting system only.

Further, in compliance with Regulation 44 of the SEBI LODR Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Company has extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The reason for not enclosing the Postal Ballot form has already been explained in the foregoing paras. For this purpose, the Company has engaged the services of National Securities Depository Limited (**"NSDL"**) to provide the remote e-voting facility to the Members. Please read carefully the instructions regarding remote e-voting as mentioned in Notes to this Postal Ballot Notice.

You are also requested to carefully read the instructions given in this Postal Ballot Notice and record your assent (FOR) or dissent (AGAINST) through remote e-voting process only not later than the close of working hours i.e. 05:00 p.m. IST on Friday, July 17, 2020. The assent or dissent received after such date and time shall be treated as if reply from the Member has not been received.

The Members may please also note that a resolution, if assented to by the requisite majority of the shareholders by means of postal ballot (through remote e-voting), will be taken as passed effectively on the last date specified for remote e-voting.

#### SPECIAL BUSINESS:

##### 1. Authority to make investments in the proposed Joint Venture Company

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to other applicable laws and such other approvals, consents, sanctions and permissions of appropriate authorities including Reserve Bank of India, departments or bodies as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the **"Board"**) which term shall be deemed to include any Committee, including the Executive Committee, which the Board has constituted or may hereafter constitute to exercise its powers including the power conferred by this Resolution) to acquire by way of subscription, purchase or otherwise, the shares and / or securities of the proposed Joint Venture Company being set-up in the name of "Panacea Refana Limited" in the Republic of Ireland (or with such name and / or in such other country as may be decided by the Board) in joint venture with Refana Inc., USA, not exceeding the amount equivalent to Euro 25,000 or INR 2.00 million, whichever is higher, notwithstanding the fact that the same may exceed the prescribed limits of 60% of the Company's paid-up share capital, free reserves and securities premium account or 100% of the Company's free reserves and securities premium account, whichever is more, as the Board may think fit, in one or more tranches.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise, settle, and execute such documents, deeds, writings, papers and agreements as may be required and to do all such acts, deeds, matters and things as, in its absolute discretion, may be considered necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or otherwise considered by the Board to be in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company and to delegate such powers to any officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to above or contemplated in the foregoing resolution are hereby approved, ratified and confirmed in all respects."

## 2. **Approval of 'Panacea Biotec Limited - Employee Stock Option Plan 2020'**

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "**SEBI SBEB Regulations**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and other applicable rules, regulations and circulars / guidelines in force, from time to time and subject further to such other approval(s), permission(s) and sanction(s) of any authority(ies) as may be necessary and subject to any such condition(s) and/or modification(s), if any, as may be prescribed or imposed by such authority(ies) while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted or may hereafter constitute to act as the "Compensation Committee" under the SEBI SBEB Regulations, to exercise its powers including the powers conferred by this Resolution), the consent of the members of the Company be and is hereby accorded to the introduction and implementation of '**Panacea Biotec Limited - Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan")**, the salient features of which are set out in the Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to create, grant, issue, offer and allot from time to time, in one or more tranches, not exceeding 35,00,000 (Thirty Five Lakh) employee stock options to or for the benefit of such person(s) who are the permanent employees of the Company, whether working in India or outside India, including directors of the Company, whether whole time or otherwise and to such other person(s) as may be decided by the Board and/or permitted under SEBI SBEB Regulations (hereinafter referred to as "**Eligible Employees**") (other than promoters or persons belonging to the promoter group of the Company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), exercisable into not more than 35,00,000 (Thirty Five Lakh) equity shares of face value of Re.1/- (Rupee One) each fully paid-up, where one employee stock option would convert into one equity share upon exercise, on such terms and conditions and in such manner as the Board may decide in accordance with the provisions of ESOP 2020 and in due compliance with the SEBI SBEB Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned herein before shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2020 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under ESOP 2020 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2020 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2020 and to do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations, SEBI LODR Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as it may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service center and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESOP 2020 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in connection with the above and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

## 3. **Approval of grant of employee stock options to the employees of the subsidiary company of the Company under Panacea Biotec Limited - Employee Stock Option Plan 2020**

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "**SEBI SBEB Regulations**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force),

the relevant provisions of the Memorandum and Articles of Association of the Company and other applicable rules, regulations and circulars/guidelines in force, from time to time and subject further to such other approval(s), permission(s) and sanction(s) of any authority(ies) as may be necessary and subject to any such condition(s) and/or modification(s), if any, as may be prescribed or imposed by such authority(ies) while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted or may hereafter constitute to act as the **"Compensation Committee"** under the SEBI SBEB Regulations, to exercise its powers including the powers conferred by this Resolution), the consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of the **"Panacea Biotec Limited - Employee Stock Option Plan 2020"** (**"ESOP 2020"**/**"Plan"**) also to or for the benefit of such person(s) who are the permanent employees of subsidiary company of the Company, whether working in India or outside India, including directors of the subsidiary company of the Company, whether whole time or otherwise and to such other person(s) as may be decided by the Board and/or permitted under SEBI SBEB Regulations (hereinafter referred to as **"Eligible Employees"**) (other than promoters or persons belonging to the promoter group of the Company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), on such terms and conditions and in such manner as the Board may decide in accordance with the provisions of ESOP 2020 and in due compliance with the SEBI SBEB Regulations and other applicable laws, rules and regulations to the intent that the number of equity shares offered under ESOP 2020 to the Eligible Employees of the subsidiary companies shall be subsumed in the aggregate limit of 35,00,000 (Thirty Five Lakh) equity shares of face value of Re.1/- (Rupee One) each as set out in the ESOP 2020.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned herein before shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2020 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under ESOP 2020 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2020 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2020 and to do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations, SEBI LODR Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as it may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service center and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESOP 2020 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in connection with the above and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

By order of the Board  
For Panacea Biotec Ltd.

Vinod Goel  
Group CFO and Head Legal  
& Company Secretary

Place: New Delhi  
Date: June 16, 2020

#### NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (**"the Act"**) and the Rules made thereunder, setting out material facts concerning Special Businesses set out in the Notice of Postal Ballot (the **"Notice"**) is annexed hereto.
2. The Notice is being sent only by email to all those Members / Beneficial Owners of the Company whose names appear in the Register of Members/ list of Beneficial Owners as received from the Depositories i.e. National Securities Depository Limited (**"NSDL"**) / Central Depository Services (India) Limited (**"CDSL"**) as on Friday, June 12, 2020 (**"Cut-off Date"**) and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Skyline Financial Services Private Limited (**"RTA"**) in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and Ministry of Corporate Affairs, Government of India's General Circulars Nos. 14/2020, 17/2020 and 22/2020 dated April 08, 2020, April 13, 2020 and June 15, 2020, respectively (**"MCA Circulars"**).
3. Members may also note that the Notice will also be available on the Company's website viz. <https://www.panaceabiotec.com> and at the relevant sections of the websites of the stock exchanges on which the shares of the Company are listed.
4. All the Members of the Company whose names are appearing on the Register of Members / List of Beneficial Owners as on the Cut-off date (including those Members who may not have received this Notice due to non-registration of their e-mail address with the Company or the Depositories / Depository Participants) shall be eligible for remote e-voting. A person who is not member on Cut-off date should treat this notice for information purpose only.
5. In compliance with provisions of Sections 108 and 110 of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (**"Rules"**), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations"**), Secretarial Standard-II on General Meetings (**"SS-2"**) and in accordance with the MCA Circulars, the Company is pleased to provide remote e-voting facility to its members to enable them to cast their votes electronically instead of physical mode on all resolutions set forth in this Notice. For this purpose, the Company has availed the services of NSDL to provide the remote e-voting facility to enable the shareholders to cast their votes

electronically instead of physical mode. In terms of the MCA Circulars, voting can be done only by remote e-voting. As the remote e-voting does not require a person to attend to a meeting physically, the members are strongly advised to use the remote e-voting procedure by themselves and not through any other person / proxies.

6. The members holding shares in physical form are requested to intimate changes pertaining to their bank account details, change of address, change of e-mail address, contact numbers etc., if any, to the Company's RTA. Members holding shares in dematerialised form should intimate any such change to their Depository Participant.
7. The members who are holding shares in physical form and have not yet got exchanged their old Share Certificate(s) for Equity Shares of Rs.10/- each, into new Share Certificate(s) in respect of sub-divided Equity Shares of Re.1/- each, are requested to send the request along with the related original Share Certificate(s) immediately.
8. Non-Resident Indian Members are requested to inform the Company's RTA immediately:
  - a) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
  - b) any change in their residential status on return to India for permanent settlement.
9. Equity Shares of the Company are under Compulsory Demat segment. The members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants ("DPs") in their vicinity for getting their shares dematerialised.  
Further, SEBI has decided that securities of listed companies can be transferred only in dematerialised form from the cut-off date i.e. April 01, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. In case any clarification is needed in that regard, the undersigned may be contacted in person or by communication addressed to the Corporate Office of the Company or the Company's RTA.
10. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit a self-attested copy of their PAN Card to the Company / RTA.
11. In all correspondence(s) with the Company and / or the RTA, members are requested to quote their folio number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.
12. Members who are holding shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the share certificates to the Company's RTA for consolidation into a single folio.
13. **Voting through Electronic Means:**

- (i) The Company is pleased to provide remote e-voting facility to its members to enable them to cast their votes electronically instead of physical mode on all resolutions set forth in this Notice. For this purpose, the Company has availed the services of NSDL to provide the remote e-voting facility. NSDL shall be sending the user ID & passwords to those members whose e-mail ids are registered with Company / DPs.
- (ii) The remote e-voting period commences on Thursday, June 18, 2020 (from 09:00 a.m. IST) and ends on Friday, July 17, 2020 (upto 05:00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Friday, June 12, 2020 may cast their votes electronically. The remote e-voting module shall forthwith be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Cut-off date for remote e-voting	12.06.2020
Remote E-voting start date	18.06.2020
Remote E-voting end date	17.07.2020

- (iii) The process / manner for availing remote e-voting facility and the instructions for members voting electronically are as under:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1** are mentioned below:

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned in Note No. 14 i.e. Process to be followed in case of shareholders who have not registered their email addresses.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2** are mentioned below:

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

(iv) **General Guidelines for shareholders**

- a. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizer@panaceabiotec.com](mailto:scrutinizer@panaceabiotec.com) or [scrutinizer108@gmail.com](mailto:scrutinizer108@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 at 91-22-24994545 or at 1800-222-990 (toll free) or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

14. **In case of shareholders who have not registered their email addresses:**

1. In compliance with the requirements of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only. To facilitate such shareholders to receive this notice electronically and cast their vote electronically, the Company has made special arrangement with its RTA, for registration of email addresses in terms of the MCA Circulars. Therefore, those shareholders who have not yet registered their email address are requested to get their email address registered by following the procedure given below:  
Click the link: <https://www.skylinerta.com/EmailReg.php> and follow the registration process as guided thereafter and mentioned herein below:

**For Members who have electronic folios:**

- (a) Visit the link <https://www.skylinerta.com/EmailReg.php>
- (b) Select the company name
- (c) Shareholder to select the Mode of Shareholding
- (d) Shareholder to enter DPID-CLID
- (e) Shareholder to enter the name. In case of Joint Shareholders, name of First Shareholder to be entered
- (f) Shareholder to enter the Email id, Mobile No. and PAN
- (g) RTA checks the authenticity of the client id and PAN and send the OTP to Email id to validate the same.
- (h) Shareholder to enter the OTP received by Email to complete the validation process. (OTP will be valid for 5 minutes only).

- (i) RTA confirms the registration of Email id for the limited purpose of serviced postal ballot notice.
- (j) RTA will send the notice & procedure for e-voting to the Email id given by the shareholder.

**For Members who have physical folios:**

- (a) Visit the link <https://www.skylinerta.com/EmailReg.php>
- (b) Select the company name
- (c) Shareholder to select the Mode of Shareholding
- (d) Shareholder to enter Folio No.
- (e) Shareholder to enter the name. In case of Joint Shareholders, name of First Shareholder to be entered
- (f) Shareholder to enter the Email id, Mobile No. and PAN
- (g) Shareholder to enter PAN No. If PAN is not available in the records, shareholder to enter one of the Share Certificate No.
- (h) RTA checks the authenticity of the Folio No. and PAN / Share Certificate No. and send the OTP to Email id to validate the same.
- (i) Shareholder to enter the OTP received by Email to complete the validation process. (OTP will be valid for 5 minutes only).
- (j) If PAN is not available, Shareholder to send duly signed copy of Pan to RTA on [compliances@skylinerta.com](mailto:compliances@skylinerta.com).
- (k) RTA confirms the registration of Email id for the limited purpose of serviced postal ballot notice.
- (l) RTA will send the notice & procedure for e-voting to the Email id given by the shareholder.

Post successful registration of the email, the RTA will promptly share a copy of this Postal Ballot Notice and the procedure for e-voting along with the User ID and the Password to enable e-voting for this Postal Ballot, but not later than within 48 hours of receipt of the e-mail ID from the Eligible Members. In case of any queries, shareholder may write to [compliances@skylinerta.com](mailto:compliances@skylinerta.com).

2. It is clarified that for permanent registration of email address, the shareholders are however required to register their email address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's RTA, by following due procedure.
  3. Those shareholders who have already registered their email address are requested to keep their email addresses validated with their Depository Participants / the Company's RTA, to enable servicing of notices / documents / Annual Reports electronically to their email address.
15. The voting rights of the members and preference shareholders shall be in proportion to the paid-up value of their shares in the total paid-up share capital of the Company carrying voting rights, as on the cut-off date, being June 12, 2020.
  16. The Board of Directors of the Company has appointed Mr. Debabrata Deb Nath, Practicing Company Secretary (Membership No.F-7775), Partner of M/s. R&D Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
  17. After completion of scrutiny of the votes, the Scrutinizer will submit his Report to the Chairman or any other person authorized by him. The results of the postal ballot (conducted through remote e-voting process) along with Scrutinizer's Report, will be posted on or before Sunday, July 19, 2020 on the Company's website viz. [www.panaceabiotec.com](http://www.panaceabiotec.com) and on the website of NSDL and shall also be communicated to BSE Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed. Further, the results of the voting shall also be displayed on the notice board of the Company at its Registered Office as well as Corporate Office.
  18. The resolutions, if assented by the requisite majority through postal ballot, shall be deemed to be duly passed on the last date specified for e-voting, i.e. Friday, July 17, 2020, in terms of the SS-2 issued by the Institute of Company Secretaries of India.
  19. As required by Rule 20 and Rule 22 of the Rules read with the MCA Circulars and the SEBI LODR Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper and one Punjabi daily newspaper circulating in Lalru, Chandigarh (in vernacular language, i.e. Punjabi).
  20. All relevant documents specifically stated to be open for inspection in the accompanying Notice and Explanatory Statement will be available for inspection by members at the Registered Office as well as the Corporate Office of the Company, during normal business hours between 10:00 a.m. to 12:00 noon on all working days up to and including the last date specified for E-voting. The relevant documents will also be made available on the website of the Company during the above mentioned period.
  21. The members are aware that, currently COVID-19 has affected many countries, including India. Pursuant to advisory issued by the Ministry of Health & Family Welfare, MCA and other authorities on preventive measures to contain the spread of COVID 19, please note that the Company is taking all possible precautionary measures to meet this public health situation and contributing to containing the disease and minimizing its contagious effect.  
You are also requested to ensure to follow the directives issued by Government of India / State Government for safety of everyone and take adequate precautions at personal as well as at a social level and follow the medical advisories.

## **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

### **Item No. 1**

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and/or bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Companies Act.

As per the provisions of Section 186 of the Companies Act, 2013 ("**the Act**") read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, no Company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where the aggregate of the loans and investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceed the limits specified under Section 186 of the Act, no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution.

The members are requested to note that the Company had entered into collaboration for Covid-19 vaccine with Refana Inc., USA. This collaboration aims to bring to patients a whole inactivated virus-based vaccine for Covid-19. This will enable the Company in advancing its response to address the unprecedented challenges of COVID-19 to make candidate Covid-19 vaccine widely accessible around the world in an equitable manner through a 50:50 Joint Venture company ("JV Company") proposed to be incorporated in the name of Panacea Refana Limited in the Republic of Ireland (or with such name and in such other country as may be mutually agreed). This collaboration will enable global development, manufacturing and distribution



of the Covid-19 vaccine. Under the collaboration, the Company will be responsible for product development and commercial manufacturing. The JV Company will undertake clinical development and regulatory submissions across the World. Panacea, Refana and JV Company will undertake sales and distribution of the vaccine in their respective territories.

Since the aggregate amount of the investments made and loans granted by the Company mainly to its wholly owned subsidiaries, associate company and joint venture company exceeds the limits as prescribed in Section 186 of the Act, accordingly, taking into consideration the requirements of investments to be made by the Company to meet the financial requirements of the proposed JV Company, the consent and approval of the members is therefore, sought in accordance with the provisions of Section 186 of the Act, for the proposed investment upto Euro 25,000 or Rs.2.00 million (Rupees Two Million) in the proposed JV Company, notwithstanding that the aggregate amount of all the loans, guarantees, security and investments so far made together with the proposed investments to be made, exceeds the limits as prescribed under Section 186 of the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, interested or concerned, financially or otherwise, in the resolution as set out at Item no. 1 of this Notice save and except that one or more of the Directors and Key Managerial Personnel of the Company may act as subscribers to the Constitutional documents and Director(s) on the Board of Directors of the proposed JV Company.

The Board of Directors recommends the resolution as set out at Item no. 1 of this Notice for the approval of the members of the Company by way of a Special Resolution.

### Item Nos. 2 and 3

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with your Company and its subsidiary company(ies), in or outside India. With a view to motivate the key employees seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted or may hereafter constitute to act as the "Compensation Committee" under the SEBI SBEB Regulations) intend to implement an employee stock option plan namely '**Panacea Biotec Limited - Employee Stock Option Plan 2020**' ("**ESOP 2020**")/"**Plan**") seeking to cover eligible employees of the Company and its subsidiary company, in or outside India.

Accordingly, the Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company at their respective meetings held on February 14, 2020 had approved the introduction of ESOP 2020, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company seeks your approval as regards implementation of the Plan and grant of options thereunder to the eligible employees of the Company and its subsidiary company, in or outside India, as decided from time to time as per the provisions of the Plan read with the provisions of SEBI SBEB Regulations.

The salient features of the Company's ESOP 2020 are set out as per SEBI circular and are as under:

S. No.	Particulars	Key Features
A.	Brief Description of ESOP 2020	The ESOP 2020 contemplates grant of options to the eligible employees of the Company and its subsidiary company, in or outside India. After vesting of options, the eligible employees earn a right, but not obligation, to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.
B.	Total number of stock options to be granted	The total number of options to be granted under the ESOP 2020 shall not exceed 35,00,000 (Thirty Five Lakh). Each option when exercised would be converted into one equity share of Re.1/- (Rupee One) each fully paid-up. Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Company shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the ESOP 2020 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 35,00,000 (Thirty Five Lakh), shall be deemed to be increased to the extent of such additional options issued.
C.	Implementation and administration of ESOP 2020	The existing Nomination & Remuneration Committee of the Board shall act as Compensation Committee for the administration of ESOP 2020. All questions of interpretation of the ESOP 2020 or any Option shall be determined by the Board and such determination shall be final and binding upon all persons having an interest in the ESOP 2020 or in any Option issued thereunder.
D.	Identification of classes of employees entitled to participate in ESOP 2020	Subject to determination or selection by the Board, following classes of employees are entitled to participate in ESOP 2020: (i) a permanent employee of the Company who has been working in India or outside India; or (ii) a director of the Company, whether a whole-time director or not but excluding an independent director; or (iii) an employee, as defined in (i) or (ii) above, of a subsidiary company, in India or outside India, of the Company. Following persons are not entitled to participate in ESOP 2020: (i) an employee who is a Promoter or a person belonging to the Promoter Group; and (ii) a director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.
E.	Requirements of Vesting and period of Vesting	Options granted under ESOP 2020 shall vest not earlier than minimum period of <b>2 (two) years</b> and not later than maximum period of <b>5 (five) years</b> from the date of Grant. The vesting dates in respect of the options granted under the ESOP 2020 shall be determined by the Board and may vary from employee to employee or any class thereof and / or in respect of the number or percentage of options to be vested. Options shall vest essentially based on continuation of employment / service as per requirement of SEBI SBEB Regulations. Apart from that the Board may prescribe achievement of any performance condition(s) for vesting.
F.	Maximum period within which the options shall be vested	All the options granted on any date shall vest not later than maximum period of <b>5 (five) years</b> from the date of Grant as stated above.

G.	Exercise price or pricing formula	The Exercise Price shall be determined by the Board at its sole discretion which shall not be less than the face value of the Share as on date of grant of such Option.
H.	Exercise period and Exercise Process	The exercise period would commence from the date of vesting and will expire on completion of <b>3 (three) years</b> from the date of respective vesting or such other shorter period as may be decided by the Board from time to time. The vested option shall be exercisable by the option grantees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Board from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options shall lapse if not exercised within the specified exercise period.
I.	Appraisal process for determining the eligibility of employees to the ESOP 2020	The appraisal process for determining the eligibility shall be decided from time to time by the Board. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.
J.	Maximum number of options to be issued per employee and in aggregate	The maximum number of Options under ESOP 2020 that may be granted to each Employee in any year shall in aggregate be not more than 50,000 (Fifty Thousand) at the time of Grant of Option.
K.	Maximum quantum of benefits to be provided per employee under the ESOP 2020	Apart from grant of options as stated above, no monetary benefits are contemplated under the ESOP 2020.
L.	Route of ESOP 2020 implementation	The ESOP 2020 shall be implemented and administered directly by the Company.
M.	Source of acquisition of shares under ESOP 2020	The ESOP 2020 contemplates issue of fresh equity shares by the Company.
N.	Lock-in Period	The Shares arising out of exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Shares under ESOP 2020. Provided that the Shares allotted on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time).
O.	Transferability of Employee Stock Options	The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him/ her till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under ESOP 2020.
P.	Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.	This is currently not contemplated under the present ESOP 2020.
Q.	Maximum percentage of secondary acquisition	Not Applicable
R.	Accounting and Disclosure Policies	The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case the existing guidance note or accounting standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.
S.	Method of option Valuation	The Company shall adopt 'fair value method' for valuation of options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.
T.	Declaration	In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Regulation 6(1) of SEBI SBEB Regulations requires that every employee stock option scheme shall be approved by the members of the Company by passing a special resolution in a general meeting. Further, as the ESOP 2020 will entail further issue of shares, consent of the members is required by way of a special resolution pursuant to Section 62(1)(b) of the Companies Act, 2013. Accordingly, the Special Resolution set out at Item No. 2 of this Notice is proposed for approval by members.

As per Regulation 6(3) of SEBI SBEB Regulations, a separate special resolution is required to be passed if the benefits of an employee stock option scheme are to be extended to employees of the subsidiary company(ies). Accordingly, the Special Resolution set out at Item No. 3 of this Notice is proposed for approval by members.

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, interested or concerned, financially or otherwise, in the resolutions as set out at Item nos. 2 and 3 of this Notice except to the extent of the options that may be lawfully granted to them under the ESOP 2020.

The Board of Directors recommends the resolutions as set out at Item nos. 2 and 3 of this Notice for the approval of the members of the Company by way of Special Resolutions.

By order of the Board  
For Panacea Biotec Ltd.

Vinod Goel  
Group CFO and Head Legal  
& Company Secretary

Place: New Delhi  
Date: June 16, 2020