

**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

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## NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Panacea Biotec Ltd. will be held on Thursday, the 25th day of September, 2014 at 11:30 A.M. at the Registered Office of the Company at Ambala-Chandigarh Highway, Lalru - 140 501, Punjab, to transact the following businesses:

**AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT the Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon be and is hereby adopted and approved."
2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT Mr. Soshil Kumar Jain (DIN: 00012812), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby appointed as director liable to retire by rotation."
3. To appoint M/s. Walker Chandiook & Co LLP, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION.  
"RESOLVED THAT M/s. Walker Chandiook & Co LLP (Regn. No. 001076N/ N500013), Chartered Accountants be and are hereby appointed, as Statutory Auditors of the Company in place of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, the retiring Statutory Auditors, who have shown their unwillingness for their re-appointment as such, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of Thirty-fifth Annual General Meeting subject to the ratification by Members every year on such remuneration as may finalised by the Board of Directors of the Company or any Committee thereof."

**AS SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Raghava Lakshmi Narasimhan (DIN: 00073873), an existing Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 31st March, 2019."
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Namdeo Narayan Khamitkar (DIN: 00017154), an existing Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 31st March, 2019."
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Aditya Narain Saksena (DIN: 00016107), an existing Independent Director and in respect of whom the Company has received notice under

Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 31st March, 2019."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 if any, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Krishna Murari Lal (DIN: 00016166), an existing Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to 31st March, 2019."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Sections 14 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to amend the Articles of Association of the Company in the manner set out herein below:
  - i. The existing Article No. 2, 116 (a) & (b) be deleted and replaced with the following Articles:

Articles shall over rule Table F	2	Save as otherwise provided herein, the regulations contained in Table F of Schedule I to the Companies Act, 2013 shall apply to the Company except to the extent that they are excluded by or inconsistent with these Articles so however that the Articles shall to the extent to which they are repugnant to and / or at variance with the provisions of the Companies Act, 2013, various schedules thereto and the Rules made thereunder, be deemed to have been replaced by the relevant provisions of the Companies Act, 2013 and various schedules thereto and the Rules made thereunder so as to be in consonance and harmony therewith."
Vacation of Office by Managing Directors	116 (a)	Save as otherwise provided in a contract in terms of provisions of the Act or Rules made thereunder or in a resolution passed by the Board or the Shareholders of the Company, a Managing Director shall be liable to retirement by rotation. He shall, however, be subject to the same provisions as to resignation and removal as are applicable to the other Directors. He shall ipso facto immediately, cease to be a Managing Director if he ceases to hold the office of Director for any reason whatsoever save and except that if he vacates office whether by, retirement by rotation or otherwise under the provisions of the Companies Act, 2013 at any Annual General Meeting and is reappointed as a director at the same meeting, he shall not, by reason only of such vacation, cease to be a Managing Director.
Seniorities of Managing Directors	116(b)	If at any time the total number of Managing Directors not liable to retire by rotation is more than one third of the total number of Directors, the Managing Director who shall not retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Managing Directors shall be determined by the date of their respective appointments as Managing Directors by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things as may be necessary or expedient to give effect to the above resolution."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. Ravinder Jain (DIN: 00010101), Managing Director by making his office as a director liable to retire by rotation, the other terms of his appointment remaining the same."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Dr. Rajesh Jain (DIN:00013053), Joint Managing Director by making his office as a director liable to retire by rotation, the other terms of his appointment remaining the same."

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. Sandeep Jain (DIN:00012973), Joint Managing Director by making his office liable to retire by rotation, the other terms of his appointment remaining the same."

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the consent of the Company be and is hereby accorded to the appointment of M/s. J.P. Gupta & Associates, Cost Accountants, as Cost Auditors as appointed by the Board of Directors of the Company as such to conduct the audit of the cost records of the Company for the financial year 2014-15 and the payment of a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand Only) (including out of pocket expenses as may be incurred in connection with the audit but excluding out of pocket expenses as may be incurred in connection with the outstation travels as per actuals) and Service Tax as may be applicable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule V to the Act and pursuant to Article 115 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Soshil Kumar Jain (DIN:00012812), Whole-time Director, designated as Chairman of the Company, for financial years 2014-15 and 2015-16 on the following terms and conditions:

A. REMUNERATION

- a) Salary - Rs.6 Lac per month (with liberty to the Board to review and set the level from time to time subject to the maximum of Rs.12 Lac per month)
- b) Commission - Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 197 of the Companies Act, 2013, as may be decided by the Board from time to time.
- c) Perquisites and allowances
  1. Housing
    - i) Company owned/leased furnished house with actual upkeep and maintenance expenses.
    - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
    - iii) Company shall provide such furniture and furnishing as may be required by the Director.
  2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
  3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
  4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
  5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.

6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.

7. Gratuity - Upto half a month's salary for each completed year of service on the basis of his normal salary drawn ignoring the current salary cut.

8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.

9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.

10. Telephone, Telefax and other communication facilities - The Company shall provide/reimburse expenses in respect of one or more cellular phones (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.

11. Security - The Company shall provide for round the clock security at the Director's residence.

B. OTHER TERMS

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

2. Minimum Remuneration - In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Whole-time Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.

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

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in schedule V to the Companies Act, 2013 and to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

14. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule V to the Act and pursuant to Article 115 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Ravinder Jain (DIN:00010101), Managing Director of the Company, for financial years 2014-15 and 2015-16 on the following terms and conditions:

A. REMUNERATION

- a) Salary - Rs.6 Lac per month (with liberty to the Board to review and set the level from time to time subject to the maximum of Rs.12 Lac per month)
- b) Commission - Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 197 of the Companies Act, 2013, as may be decided by the Board from time to time.
- c) Perquisites and allowances
  1. Housing
    - i) Company owned/leased furnished house with actual upkeep and maintenance expenses.
    - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
    - iii) Company shall provide such furniture and furnishing as may be required by the Director.
  2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
  3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
  4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
  5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.

6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
7. Gratuity - Upto half a month's salary for each completed year of service on the basis of his normal salary drawn ignoring the current salary cut.
8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.
10. Telephone, Telefax and other communication facilities - The Company shall provide/reimburse expenses in respect of one or more cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.
11. Security - The Company shall provide for round the clock security at the Director's residence.

**B. OTHER TERMS**

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
2. Minimum Remuneration - In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Managing Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.
3. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.
4. If, at any time, Mr. Ravinder Jain ceases to be the director of the Company for any causes whatsoever, his office as Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in schedule V to the Companies Act, 2013 and to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule V to the Act and pursuant to Article 115 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for payment of remuneration to Dr. Rajesh Jain (DIN:00013053), Joint Managing Director of the Company, for the financial years 2014-15 and 2015-16 on the following terms and conditions:

**A. REMUNERATION**

- a) Salary - Rs.5 Lac per month (with liberty to the Board to review and set the level from time to time subject to the maximum of Rs.10 Lac per month)
- b) Commission - Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 197 of the Companies Act, 2013, as may be decided by the Board from time to time.
- c) Perquisites and allowances
  1. Housing
    - i) Company owned/leased furnished house with actual upkeep and maintenance expenses
    - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
    - iii) Company shall provide such furniture and furnishing as may be required by the Director.
  2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad.
  3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
  4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
  5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
  6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.

7. Gratuity - Upto half a month's salary for each completed year of service on the basis of his normal salary drawn ignoring the current salary cut.
8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.
10. Telephone, Telefax and other communication facilities - The Company shall provide/reimburse expenses in respect of one or more cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.
11. Security - The Company shall provide for round the clock security at the Director's residence.

**B. OTHER TERMS**

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
2. Minimum Remuneration - In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Joint Managing Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.
3. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Joint Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.
4. If, at any time, Dr. Rajesh Jain ceases to be the director of the Company for any causes whatsoever, his office as Joint Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in schedule V to the Companies Act, 2013 and to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

16. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule V to the Act and pursuant to Article 115 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Sandeep Jain (DIN: 00012973), Joint Managing Director for financial years 2014-15 and 2015-16 on the following terms and conditions:

**A. REMUNERATION**

- a) Salary - Rs.4.7 Lac per month (with liberty to the Board to review and set the level from time to time subject to the maximum of Rs.10 Lac per month)
- b) Commission - Payment of commission @ upto 2% of the profits of the company computed in the manner laid down in section 197 of the Companies Act, 2013, as may be decided by the Board from time to time.
- c) Perquisites and allowances
  1. Housing
    - i) Company owned/leased furnished house with actual upkeep and maintenance expenses
    - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
    - iii) Company shall provide such furniture and furnishing as may be required by the Director.
  2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
  3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
  4. Insurance - Payment of Insurance Premium for Life Insurance, Group Insurance, Personal Accident Insurance for such amount as may be considered appropriate by the Board.
  5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
  6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.

7. Gratuity - Upto half a month's salary for each completed year of service on the basis of his normal salary drawn ignoring the current salary cut.
8. Leave Encashment - As per rules of the Company but not exceeding one month's leave for every 11 months of service.
9. Conveyance - The Company shall provide two or more fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other(s) at his residence for his personal use and that of his family members and business guests.
10. Telephone, Telefax and other communication facilities - The Company shall provide/reimburse expenses in respect of one or more cellular phone (with handset) for his use, and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.
11. Security - The Company shall provide for round the clock security at the Director's residence.

**B. OTHER TERMS**

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
2. Minimum Remuneration - In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Joint Managing Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.
3. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Joint Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.
4. If, at any time, Mr. Sandeep Jain ceases to be the director of the Company for any causes whatsoever, his office as Joint Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in schedule V to the Companies Act, 2013 and to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

17. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule V to the Act and pursuant to Article 115 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for payment of remuneration to Mr. Sumit Jain(DIN:00014236), Whole-time Director designated as Director Operations and Projects of the Company for financial year 2014-15 on the following terms and conditions:

**A. REMUNERATION**

- a) Salary - Rs.2,10,000 p.m. (with liberty to the Board to review and set the level from time to time subject to a maximum of Rs.4.5 Lac per month)
- b) Perquisites and allowances
  1. Housing
    - i) Company owned/ leased furnished house with actual upkeep and maintenance expenses. In case rent-free accommodation is not provided, he will be entitled to house rent allowance @50% of salary.
    - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/ reimbursed by the Company.
    - iii) Company shall provide such furniture and furnishing as may be required by the Director.
  2. Medical Reimbursement - Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation, nursing home and surgical charges for self and family.
  3. Leave Travel Assistance - Once a year for self & family as per rules of the Company.
  4. Group Accident and Medical Insurance Policy(ies) - As per rules of the Company.
  5. Club fees - Membership fee of such clubs as may be considered appropriate including admission and life membership fee.
  6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund - As per rules of the Company.
  7. Gratuity - Upto half a month's salary for each completed year of service on the basis of his normal salary drawn ignoring the current salary cut.
  8. Leave Encashment - As per rules of the Company but

not exceeding one month's leave for every 11 months of service.

9. Conveyance - The Company shall provide two fully insured cars with driver and reimbursement of the operational expenses, one for discharge of official responsibilities by the Director and the other at his residence for his personal use and that of his family members and business guests.
10. Telephone, Telefax and other communication facilities - The Company shall provide/reimburse expenses in respect of one or more cellular phone (with handset) for his use and three Telephone connections with STD & ISD facilities, one fax connection with fax machine, Cable Internet connection and other communication facilities at the Director's residence.
11. Security - The Company shall provide for round the clock security at the Director's residence.

**B. OTHER TERMS**

1. The director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof.
2. Minimum Remuneration - In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Whole-time Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.
3. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Whole-time Director may be terminated by either party by giving three months' notice in writing, of such termination.
4. If, at any time, Mr. Sumit Jain ceases to be the director of the Company for any causes whatsoever, his office as Whole-time Director shall forthwith be terminated.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in schedule V to the Companies Act, 2013 and to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

18. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of revised clause 49-VII of the Listing Agreement (effective from October 01, 2014), the approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/transactions with M/s PanEra Biotec Pvt. Ltd., an associate company, relating to the transfer or receipt of goods, products, materials for an estimated amount upto Rs.160 Crore in each financial year and / or availing and providing of services, manufacturing facilities, utilities and property on lease, for an estimated amount of up to Rs.160 Crore every financial year on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and PanEra Biotec Pvt. Ltd."

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to decide upon the nature and value of the products, goods, materials, services or facilities to be transacted with PanEra Biotec Pvt. Ltd. and to do all such acts, matters and things as may be necessary to give effect to the above resolution."

19. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 297 and other applicable provisions of the Companies Act, 1956 and in pursuance of the stipulation contained in the approval of the Central Government vide their letter no. 4/353/T-3/2013/P/5725 dated 30.08.2013, the consent of members be and is hereby accorded for the facility agreement entered into by the Company with M/s Chiron Panacea Vaccines Pvt. Ltd., (under liquidation), Joint Venture of the Company, w.e.f. 16th June, 2013 for 11 months and with an option for a further renewal for a period upto 31st March, 2015 for providing facility for utilisation of two work stations inclusive of support services at the Company's Marketing Office at Mumbai as per the terms of Agreement approved by the Central Government.

RESOLVED FURTHER THAT (a) the agreement entered into with M/s. Chiron Panacea Vaccines Pvt. Ltd. is competitive, at arm's length, without conflict of interest and is not less advantageous to the Company as compared to similar contracts with other parties and the company has not made any default under section 297 of the Companies Act, 1956, in the past (except in respect of defaults upto 14.03.2005 which had been compounded by Central Government vide its order no. 997/T-3/2005/P/621A/1285 dated 23.09.2005) and there is no default in repayment of any of its debts (including public deposits) or debenture or interest payable thereon as on 31st March, 2013 i.e. the last date of the financial year preceding the financial year in which approval is sought and the Company has filed its up to date balance sheet and annual return with the registrar of companies; (b) the agreement is falling within the provisions of section 297 of the

Companies Act, 1956 and the provisions of section 198, 269, 309, 314 and 295 are not applicable; and (c) the Company and its directors have complied with the provisions of section 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to the said agreement."

By order of the Board  
For Panacea Biotec Ltd.

Place: New Delhi  
Date: 1st August, 2014

Vinod Goel  
G.M Legal & Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing proxy should however, be deposited at the Registered/Corporate Office of the Company not less than forty-eight hours before the commencement of the meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Shareholders are requested to bring their copy of Annual Report to the Meeting.
3. Members/Proxies should fill the Attendance Slip and hand over the same at the entrance for attending the meeting.
4. Those who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
5. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Queries proposed to be raised at the Annual General Meeting may please be sent to the Company at its Registered/Corporate Office, at least 7 days prior to the date of Annual General Meeting to enable the Company to compile the information and answer them in the meeting.
8. The Register of Members and Share Transfer Register will remain closed from Friday the 19th day of September, 2014 to Thursday, the 25th day of September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
9. In view of non-availability of profits during the Financial Year 2013-14, the Board of Directors has not recommended any dividend on the Equity Shares of the Company.
10. As provided in Section 205A and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2007 and thereafter, which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund ('IEP Fund'). The unclaimed dividend in respect of financial years upto 2005-06 has already been transferred to the IEP Fund.  
The information in respect of unclaimed dividend due for transfer to the IEP Fund in future is given in the Corporate Governance Report forming part of Annual Report. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the company as on September 25, 2013 (date of last AGM) on the website of the Company as also on the website of Ministry of Corporate Affairs.  
Shareholders, who have not yet encashed their dividend warrant(s) for such period, may send their request for revalidation of Dividend Warrant(s) or issue of duplicate Dividend Warrant(s), as the case may be, to the Company's Corporate Office immediately.
11. Non-Resident Indian Shareholders are requested to inform the Company's Registrar & Transfer Agent (RTA) immediately:
  - a) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
  - b) any change in their residential status on return to India for permanent settlement.
12. The members holding shares in physical form are requested to intimate any change in their address to the Company's RTA. Those holding Shares in dematerialised form should intimate any such change to their Depository Participants.
13. The shareholders who are holding Shares in physical form and have not yet got exchanged their Share Certificates for Equity Shares of Rs.10 each, into new Share Certificate(s) in respect of sub-divided Equity Shares of Re.1 each, are requested to send the request along with the related original Share Certificate(s) immediately.
14. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants in their vicinity for getting their Shares dematerialised. In case any clarification is needed in that regard, the undersigned may be contacted in person or by communication addressed at the Corporate Office of the Company.

15. Securities and Exchange Board of India (SEBI) had directed that it shall be mandatory to furnish copy of PAN card to the Company/RTAs for registration of transfer/ transmission/transposition of shares of the Company in relation to securities market transactions and off-market/private transactions in physical form of listed companies. Hence, all prospective shareholders acquiring shares in physical form are requested to provide a copy of their PAN card along with their request for registration of transfer/transmission/transposition of shares of the Company.
16. In all correspondence with the Company and/or the Registrar & Transfer Agent, members are requested to quote their folio number and in case their shares are held in the dematerialized (electronic) form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.
17. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which can be obtained from the company's RTA or downloaded from the Company's website) to the RTA of the Company.
18. The annual report for the financial year 2013-14 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website viz. www.panaceabiotec.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2013-14, free of cost, upon sending a request to the Company Secretary at B-1, Extn./G-3, Mohan Co-op. Industrial Estate, Mathura Road, New Delhi – 110 044. In case any member is desirous to receive communication from the Company in electronic form, they may register their email address with their depository participant or send their consent at [investorgrievances@panaceabiotec.com](mailto:investorgrievances@panaceabiotec.com) alongwith their folio no. and valid email address for registration.
19. **VOTING THROUGH ELECTRONIC MEANS:** Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting to be held on Thursday, 25th September 2014, at 11:30 AM. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide the e-voting facility.  
**The e-voting Event Number, User ID and Password alongwith the detailed instructions for e-voting are provided in the attendance slip, being sent alongwith the notice of Annual General Meeting and forms an integral part of Notice of Annual General Meeting.**  
The e-voting period commences on September 18 (9.00 A.M.), 2014 and ends on September 20, 2014 (6.00 P.M.) During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2014 may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
20. Since the company is providing the facility of e-voting to the shareholders, there shall be no voting by show of hands at the Annual General Meeting. The shareholders who will be physically present at the Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.
21. The shareholders can opt for only one mode of voting i.e. e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through e-voting will be considered final and voting through physical ballot will not be considered.
22. The voting rights of the members shall be in proportion to their shares in the equity capital of the Company, as on the cut-off date, being Friday, the 22nd day of August, 2014.
23. Mr. Akshit Gupta, Practicing Company Secretary (Membership No. 22963), Partner M/s U.S. & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. The results shall be declared on or after the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.panaceabiotec.com](http://www.panaceabiotec.com) and on the website of NSDL within two days of passing of the resolutions at the 30th Annual General Meeting of the Company and shall be communicated to Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd.
25. All documents referred to in the accompanying Notice and statement pursuant to Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office and Corporate Office of the Company during business hours on all working days up to the date of declaration of the results of the 30th Annual General Meeting of the Company.
26. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information pertaining to the Directors seeking appointment / re-appointment in the Annual General Meeting is given below:
  - a) Mr. Soshil Kumar Jain  
Age : 81 Years

Qualification: Qualified Pharmacist

Professional Expertise: He has more than 58 years' experience in the pharmaceutical industry. He is the founder promoter/director of the company and has been the Chairman of the Company since October, 1984. He started his career in the Indian pharmaceutical industry by joining his family business in the form of a chemist shop set up by his father. Prior to promoting the company, he was associated with Radicura & Co., a partnership firm (formerly owned by the promoters of Panacea Biotec Ltd. and subsequently taken over by Radicura & Co. Ltd. (now known as Radicura Infra Ltd.).

Directorships: He is a director of PanEra Biotec Pvt. Ltd., Neophar Alipro Ltd., Adveta Power Pvt. Ltd. and White Pigeon Estate Pvt. Ltd.

Committee Membership/ Chairmanship: He is a member of Executive Committee of the Company.

Shareholding in the Company: He holds 5,000,000 Equity Shares of Re.1 each, comprising 8.16% of total share capital of the Company.

b) Mr. Raghava Lakshmi Narasimhan

Age: 73 Years

Qualification: Post Graduate degree in Science from Madras University.

Professional Expertise: He retired as the Deputy Director General, Central Statistical Organization, to the Government's Ministry of Statistics & Programme Implementation in New Delhi and has held various senior and middle level positions in various Government ministries. Prior to his positions with the Government, he has also worked with Hoechst Pharmaceuticals Ltd., Chennai, a multinational pharmaceutical company. His expertise lies in the field of budgeting, data management, programme evaluation & research and marketing.

Directorships: He is a director of Radhika Heights Ltd. (formerly known as Best On Health Ltd.) and Blue Surmount Education.

Committee Membership/ Chairmanship: He is the Chairman of Audit Committee, Nomination & Remuneration Committee and Selection Committee of the Company.

Shareholding in the Company : Nil

c) Mr. Namdeo Narayan Khamitkar

Age: 73 Years

Qualification: B.E. - Electrical & Mechanical (Pune University), MBA (University of District of Columbia, Washington DC, USA) and Post Graduate Diploma in Public Administration (Indian Institute of Public Administration).

Professional Expertise: He is a retired Govt. Official belonging to Indian Engineering Service and retired as Dy. Director General, Ministry of Home Affairs, Govt. of India, New Delhi. He has also held various senior and middle level positions in various Govt. Ministries and Offices before his retirement. His expertise lies in the field of administration, planning and procurement.

Directorships: He is a director of Radhika Heights Ltd. and Blue Surmount Education.

Committee Membership/ Chairmanship : He is a member of the Audit Committee and Nomination & Remuneration Committee of Panacea Biotec Ltd.

Shareholding in the Company : Nil

d) Dr. Aditya Narain Saksena

Age: 76 Years

Qualification: Post Graduate in Mathematics, Doctorate in Economics, Master's Diploma in Public Administration & Master's Diploma in Total Quality Management.

Professional Expertise: He has been appointed as a Non-executive Director of the Company since December 2005. He retired in 1996 in the grade of additional secretary to Government of India as Financial Advisor to the Ministry of Petroleum. He has vast experience in the field of finance, accounts, audit, human resource development, corporate governance, legal and general management. Prior to his retirement, he held senior level position in various Central Government ministries including the Ministry of Shipping & Transport, Petroleum & Natural Gas, HRD, Information & Broadcasting, Law & Justice and Railways. He also held directorships in various public sector companies including ONGC Ltd., Indian Oil Corporation Ltd., Oil India Ltd., etc., during his tenure.

Directorships : Nil

Committee Membership/ Chairmanship: He is the Chairman of the Stakeholder Relationship Committee of the Company.

Shareholding in the Company : Nil

e) Mr. Krishna Murari Lal

Age: 74 Years

Qualification: M.Sc. (Chemistry)

Professional Expertise: He is a retired Government official belonging to Indian Administrative Services and retired as Chairman, Staff Selection Commission, Government of India. He has vast experience in the field of finance, accounts, audit, taxation, legal, project and general management. He had held various senior level positions in Government Ministries and offices.

Directorships: He is director of SREI Capital Markets Ltd., GEM Spinners India Ltd., Polylink Polymers (India) Ltd., Gem Sugars Ltd., Hindustan Wires Ltd., KMC Energy Pvt. Ltd. and Lexicon Public Relations and Corporate Consultants Pvt. Ltd.

Committee Membership/ Chairmanship : He is member of Audit Committee of SREI Capital Markets Ltd., member of Audit & Remuneration Committee of Gems Spinners Ltd, Chairman of Audit Committee of Hindustan Wires Ltd, Chairman of Audit & Remuneration Committee and member of Share Transfer cum Investors' Grievance Committee of Polylink Polymers (India) Ltd. Shareholding in the Company : Nil

27. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is provided in respect Special Business set out at item no. 4 to 19 is as under:

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Item Nos. 4 to 7:**

The Company had appointed Mr. Raghava Lakshmi Narasimhan, Mr. Namdeo Narayan Khamitkar, Dr. Aditya Narain Saksena and Mr. Krishna Murari Lal, as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1st April, 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated June 09, 2014, the Company is required to appoint its independent directors, including its existing independent directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such independent directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. Raghava Lakshmi Narasimhan, Mr. Namdeo Narayan Khamitkar, Dr. Aditya Narain Saksena and Mr. Krishna Murari Lal, as independent directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as independent director for a term upto 31st March, 2019.

The Company has received from each of director (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors for the office of Directors of the Company. In the opinion of the Board Mr. Raghava Lakshmi Narasimhan, Mr. Namdeo Narayan Khamitkar, Dr. Aditya Narain Saksena and Mr. Krishna Murari Lal, fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

A copy each of the notices received under section 160 and the draft letter of appointment setting out the terms and conditions of their appointment are available for inspection, without any fee, by the members at the Company's at the Registered Office and Corporate Office of the Company on any working day during business hours.

Except these directors, being appointees or their relative, none of the Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 4 to 7 of the Notice for approval of the members.

**Item No. 8**

With the implementation of the Companies Act, 2013 together with various schedules thereto and the Rules made thereunder in place of the Companies Act, 1956, it is appropriate to modify the existing following Articles:

Article 2: Article 2 provides that the regulation contained in Table A in the schedule of the Companies Act, 1956 as amended, shall apply to the Company except to the extent that they are excluded by or inconsistent with these Articles. It is proposed to amend the Article 2 by replacing the same with the new Article as set out in the resolution at item no. 8 of the Notice. This amendment will have the effect of bringing various existing clauses of the Articles, in consonance with the provisions of the Companies Act, 2013, to the extent they are repugnant to and / or at variance with the provisions thereof.

Article No. 116 (a) & (b): Pursuant to Section 149(13) of Companies Act 2013, the independent directors are not liable to retire by rotation. Further Section 152 (6) stipulates that 2/3rd of the total number of directors of the public company should be liable to retire by rotation and out of such directors, 1/3rd should retire by rotation at every Annual General Meeting of the Company. To meet the requirement of the Companies Act, 2013, Company has to modify the relevant articles of its Articles of Association, which restrict the retirement of Managing Director (MD) by rotation. Accordingly Article 116 (a) & (b) are proposed to be amended by substituting Article 116 (a) & (b) in the manner as set out in the resolution.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, amendment of Articles of Association requires approval of shareholders by way of special resolution. The Board of Directors of your company accordingly recommends the resolution for your approval as Special Resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members are available for inspection, without any fee, at the Company's at the Registered Office and Corporate Office of the Company on any working day during business hours.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said resolution.

**Item Nos. 9 to 11**

Mr. Ravinder Jain, Managing Director and Dr. Rajesh Jain and Mr. Sandeep Jain as Joint Managing Directors have been appointed as such at the Annual General Meeting held on September 24, 2011 for a period of 5 (five) years w.e.f. April 01, 2011 and as per the Articles of Association of the Company and as per their terms of appointments, they were not liable to retire by rotation.

In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors of the Company shall be liable to determination by retirement by rotation. Since the provisions of Section 152(6) are not applicable to independent Directors, hence to ensure compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Mr. Ravinder Jain, Dr. Rajesh Jain and Mr. Sandeep Jain be amended to provide that they shall be liable to retire by rotation at the Annual General Meeting of the Company as per the provisions of Section 152(6) of the Companies Act, 2013. The other terms and conditions of their appointment including remuneration as approved by the shareholders shall remain unchanged.

Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain themselves and Mr. Soshil Kumar Jain and Mr. Sumit Jain, Directors of the Company being related to them and their respective relatives to the extent of their shareholding interest in the Company, are interested in the resolution set out respectively at Item Nos. 9 to 11 of the Notice.

Save and except as above, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 9 to 11 of the Notice for approval of the members.

**Item No. 12**

The Board, on the recommendations of the Audit Committee, has approved the re-appointment of the Cost Auditors, M/s. J.P. Gupta & Associates, Cost Accountants, at a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand Only) (including out of pocket expenses as may be incurred in connection with the audit but excluding out of pocket expenses as may be incurred in connection with the outstation travels as per actuals) and Service Tax as may be applicable, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2015.

In accordance with the provisions of the Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for approval for appointment and remuneration payable to the Cost Auditors for the financial year ending 31st March 2015.

None of the Directors/Key Managerial Personnel/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. The Board recommends the resolution set forth in the Item No. 12 of the Notice for approval of the members.

**Item Nos. 13 to 17**

Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Dr. Rajesh Jain, Joint-Managing Director and Mr. Sandeep Jain, Joint-Managing Director were re-appointed to their respective positions for a period of 5 years w.e.f. 1st April, 2011 and Mr. Sumit Jain, Whole-time Director designated as Director Operations & Projects was re-appointed for a period of 5 years w.e.f. 22nd July, 2010 on the revised terms and conditions.

During the financial year 2013-14, the Company has suffered losses and as per the Audited Financial Results for the financial year ended 31st March, 2014, the Company has incurred a net loss of Rs.4.2 million.

As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act, in case of no profits or inadequate profits, the Company can pay managerial remuneration to its directors including managing director and whole-time director in accordance with Schedule V of the Companies Act, 2013 with the approval of shareholders by way of special resolution. Since the Company has suffered losses during the FY 2013-14, the consent of the shareholders by way of special resolution is required in respect of payment of remuneration to the above directors in the manner and period as set out in their respective resolutions.

Particulars required to be disclosed in the Explanatory Statement in accordance with provisions of Clause (A) of Section II of Part II of Schedule V to the Act:

I. General Information

1. Nature of Industry:

The Company is a public limited company, incorporated under the Act having its registered office at Ambala-Chandigarh Highway, Lalru-140501, Punjab. The Company is a leading research based Company engaged in research, manufacture, marketing and export of certain pharmaceutical products and vaccines having a net turnover of Rs.4,671.4 million as on 31st March 2014.

The Company occupies a niche position in the Indian health management industry through its focus on providing innovative research-based solutions for health management. The Company has well established capabilities and infrastructure in research, manufacturing and marketing of vaccines and pharmaceutical formulations. The Company's brands command excellent market share in their therapeutic segments. According to AIOCD AWACS (MAT May'14) sales data, Panacea Biotec is amongst the top 60 companies in the Indian Pharmaceutical Market.

Panacea Biotec is a widely held listed Public Limited Company with around 10,000 shareholders and is listed on the NSE & BSE.

2. Date or expected date of commencement of commercial production: The Company is a well-established Company having commenced its commercial manufacturing operations for the first time in the year 1989.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial performance of the Company in the last three years is as under: (Rs. in million)

Financial Parameters	Year ended as on 31st March, 2014	Year ended as on 31st March, 2013	Year ended as on 31st March, 2012
Sales	4,671.4	5,304.2	6,883.8
Net Profit/ (Net Loss)	(4.2)	(2,301.3)	(2,077.9)
Dividend	Nil	Nil	Nil

5. Foreign Investments or Collaborations: The details of foreign investments in subsidiaries and joint ventures are as under:

Sl. No.	Name of the Entity	Description of Investment	Number of Shares/ Securities/ Shareholding	Amount (Rs. in million)*
1	Rees Investments Ltd., Islands of Guernsey	Equity	1,000	0.0
2	Panacea Biotec International S.A, Switzerland	Equity	6,000	34.4
3	Panacea Biotec GmbH, Germany (under liquidation)	Equity	2	1.6

\*0.0 under "Rs. in million" represents amount less than Rs.50,000.

II. Information about the appointee(s):

1. Mr. Soshil Kumar Jain:

Mr. Soshil Kumar Jain was re-appointed by the Board of Directors ("the Board") as Whole-time Director designated as Chairman of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution:

- i) Background details: Mr. Soshil Kumar Jain is a qualified pharmacist with more than 58 years' experience in the pharmaceutical industry. He is the founder promoter/director of Panacea Biotec and has been its Chairman since October 1984. Prior to promoting Panacea Biotec, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products.
- ii) Past remuneration: Mr. Soshil Kumar Jain was re-appointed as Chairman of the Company with effect from 1st April 2011, in accordance with the provisions of Section 269 read with Schedule XIII of the erstwhile Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Total cost to the Company	% of net profits u/s 198
2013-14	72.00	8.32	80.32	-
2012-13	72.00	7.53	79.53	-
2011-12	144.00	7.07	151.07	-

The approval of the Central Government for the protection of remuneration paid to Mr. Soshil Kumar Jain, Chairman of the Company in FY 2011-12 amounting Rs.1,51,07,217 was obtained vide letter no. SRN No. B39387790/2/2011-CL.VII dated 21.11.2012 in view of unexpected losses during that year. Further, applications for protection/approval of the Central Government for remuneration in the FY 2012-13 & 2013-14 have been duly filed and requisite approvals are awaited.

- iii) Recognition or awards: Mr. Soshil Kumar Jain is a very renowned and highly respected personality in the Industry.
- iv) Job profile and his suitability: Mr. Soshil Kumar Jain is involved in the strategic planning, vision and formulation of strategies for the Company. Under his able guidance Panacea Biotec has achieved newer milestones with clear focus on driving productivity and performance across all business segments of the Company. His leadership qualities have significantly boosted the revenues and profitability of the Company. He is a motivated mentor with a focused and enlightened ability to foresee the future that has enabled Panacea Biotec to grow over the years in terms of its human capital, net worth and increased presence in newer markets, therapies and intellectual capital. His unmatched style of working and principle of taking everyone along has helped Panacea Biotec to attain the revenue to the tune of Rs.467.14 Crore during financial year 2013-14 from a rather humble level of Rs.92.5 Crore during financial year 1997-98.

- v) Remuneration Proposed: The terms of remuneration to Mr. Soshil Kumar Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 13 of the notice.
- vi) Detail of the remuneration paid by other players in the market to their managerial personnel: As per the information available in public domain, it may be easily inferred that considering the positioning of the company in the Pharmaceutical Industry, keeping in view his job profile, the size, operations and complexity of the business of the Company, the remuneration proposed to be paid to Mr. Soshil Kumar Jain is very modest in comparison to the Industry players. A brief break-up of the salary provided by other major Industry Players is as under:

(Rs.in Lac)\*

Name of the Company	Name of Managerial Personnel	Designation of Managerial Personnel	Remuneration paid*	FY ended
Cipla Ltd.	Mr. Subhanu Saxena	Managing Director (w.e.f. 16.07.2013)	2,144.5	31.03.2014
Cipla Ltd.	Mr. M.K. Hamied	Executive Vice-Chairman	673.9	31.03.2014
Ranbaxy Laboratories Ltd.	Mr. Arun Sawhney	Managing Director	1,314.6	31.12.2014
Jubilant Life Sciences Ltd.	Mr. Shyam S. Bhartia	Managing Director	575.0	31.03.2013
Jubilant Life Sciences Ltd.	Mr. Hari S. Bhartia	Managing Director	575.0	31.03.2013

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

- vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Soshil Kumar Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Chairman of the Company and interest on unsecured loans/deposits provided by him from time to time. Mr. Soshil Kumar Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Ravinder Jain	Son
Dr. Rajesh Jain	Son
Mr. Sandeep Jain	Son
Mr. Sumit Jain	Grandson

## 2. Mr. Ravinder Jain:

Mr. Ravinder Jain was re-appointed by the Board of Directors ("the Board") as Managing Director of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Mr. Ravinder Jain was initially appointed as a director of Panacea Biotec in November 1984 and became a Whole-time director in February 1985. He is the eldest son of Mr. Soshil Kumar Jain, Promoter-Director and Chairman of the Company. Mr. Ravinder Jain has been the Managing Director of Panacea Biotec since March 1996.
- ii) Past remuneration: Mr. Ravinder Jain was re-appointed as the Managing Director of the Company with effect from 1st April 2011 in accordance with the provisions of Section 269 read with Schedule XIII of the erstwhile Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Total cost to the Company	% of net profits u/s 198
2013-14	72.00	52.89	124.89	-
2012-13	72.00	48.98	120.98	-
2011-12	144.00	56.62	200.62	-

The approval of the Central Government for the protection of remuneration paid to Mr. Ravinder Jain, Managing Director of the Company in FY 2011-12 amounting Rs.2,00,62,023/- was obtained vide letter no. SRN No. B39388343/2/2011-CL.VII dated 21st November, 2012 in view of unexpected losses during that year. Further, Applications for protection/approval of the Central Government for remuneration in the FY 2012-13 & 2013-14 have been duly filed and requisite approvals are awaited.

- iii) Recognition or awards: Mr. Ravinder Jain is a very renowned and highly respected personality in the Industry.
- iv) Job profile and his suitability: Mr. Ravinder Jain has around 33 years'

experience in business collaborations and tie-ups, international marketing, business development, finance and corporate administration. He is involved in the overall supervision with emphasis on strategic planning and business development for the Company. Under his motivated leadership Panacea Biotec has set new milestones with clear focus on driving productivity and performance across all business segments of the Company. Under his strategic thinking & leadership, Panacea Biotec has, over the years, created state of the art infrastructure in terms of 4 state-of-the-art manufacturing facilities, 4 R&D centres and sales & distribution network in addition to several collaborations & tie ups. His zeal, enthusiasm and vision has enabled Panacea Biotec to achieve new standards of performance in terms of financial parameters i.e. increased revenues & shareholders' wealth etc. His spirit of team work has helped Panacea Biotec to attain the revenue to the tune of Rs.467.14 Crore during financial year 2013-14 from a rather humble level of Rs.92.5 Crore during financial year 1997-98.

- v) Remuneration Proposed: The terms of remuneration to Mr. Ravinder Kumar Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 14 of the notice.
- vi) Detail of the remuneration paid by other players in the market to their managerial personnel: As stated in II. 1. (vi) above.
- vii) Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Mr. Ravinder Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Managing Director of the Company and interest on unsecured loans/deposits provided by him from time to time. Mr. Ravinder Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father
Dr. Rajesh Jain	Brother
Mr. Sandeep Jain	Brother
Mr. Sumit Jain	Son

## 3. Dr. Rajesh Jain:

Dr. Rajesh Jain was re-appointed by the Board of Directors ("the Board") as Joint Managing Director of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Dr. Rajesh Jain is a Ph.D. holder in Business Administration (Commerce). He also holds a Post Graduate degree in Business Management from Shivaji Institute of Management, Ghaziabad, India and is a science graduate from University of Delhi. He is the second son of Mr. Soshil Kumar Jain, Promoter-Director & Chairman of the Company. He was appointed as a Director of Panacea Biotec Limited in November 1984, became a Whole-time director in February 1985 and currently holds the position of Joint Managing Director since February 2002. He has about 29 years' experience in the pharmaceutical industry and oversees Panacea Biotec's marketing, R&D and business development sectors. He is also a Vice President of Association of Biotechnology Led Enterprises (ABLE) Northern Region., a member of Federation of Indian Chambers of Commerce Industry (FICCI) - Pharma Committee, a member - Joint Task Force CII, Govt. of Uttaranchal, a Member - Advisory Committee of the Biotechnology Teaching Programme, Centre for Biotechnology Jawaharlal Nehru University - Delhi, a partner - Global Alliance for Vaccines and Immunization (GAVI Board, a member for Developing Country Vaccine Manufacturers WHO), a member - Punjab Bio-technology Promotion Board, Govt. of Punjab., a member of Advisory Committee of the Biotechnology Engg., Punjab University, Chandigarh and a member of Indian Pharmaceutical Alliance (IPA). Prior of joining Panacea Biotec, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products.
- ii) Past remuneration: Dr. Rajesh Jain was re-appointed as the Joint Managing Director of the Company with effect from 1st April 2011, in accordance with the provisions of Section 269 read with Schedule XIII of the erstwhile Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Total cost to the Company	% of net profits u/s 198
2013-14	60.00	10.75	70.75	-
2012-13	60.00	10.46	70.46	-
2011-12	120.00	10.30	130.30	-

The approval of the Central Government for the protection of remuneration paid to Dr. Rajesh Jain, Joint Managing Director of the Company in FY 2011-12 amounting Rs.1,30,30,694/- was obtained vide letter no. vide letter no. SRN No. B39388749/2/2011- CL.VII dated 31st October, 2012 in view of unexpected losses during that year. Further, Applications for protection/approval of the Central Government for remuneration in the FY 2012-13 & 2013-14 have been duly filed and requisite approvals are awaited.



- iii) Recognition or awards: Dr. Rajesh Jain, Joint Managing Director has been ranked as one of the top 40 most influential people in global pharmaceutical industry in recognition for his vision and focus on prevention through vaccines and its delivery mechanism. He has been the Ex-Chairman of the National Committee on Biotechnology of Confederation of Indian Industry (CII), Northern Region; Vice President of ABLE, Northern Region; a member of the Advisory Committee of the Biotechnology Engineering Faculty in Punjab University, Chandigarh; a member of International WHO's WHO Society, a member of the Pharmaceuticals & Biotechnology Committee of Federation of Indian Chambers of Commerce & Industry (FICCI); a member of the Government of Uttaranchal's Joint Task Force Confederation of Indian Industry (CII); a member of the Advisory Committee of the Biotechnology Teaching Program, Center for Biotechnology of Jawahar Lal Nehru University, New Delhi and a member of Punjab Biotechnology Promotion Board, Govt. of Punjab.
- iv) Job profile and his suitability: Dr. Rajesh Jain is involved in the overall supervision of day-to-day operations with emphasis on Research & Development, business development and marketing. Under his exceptional understanding of the business mantras, Panacea Biotec has an impressive product pipeline and is targeting key therapeutic areas that will deliver new and innovative treatment therapies. As a result of his unlimited energy and enthusiasm, the Company's brands command excellent market share in their therapeutic segments. According to AIOCD AWACS (MAT May'14) sales data, Panacea Biotec is amongst the top 60 companies in the Indian Pharmaceutical Market with Nephrologists, Dentists, Orthopaedicians and Diabetologists giving the best support.
- v) Remuneration Proposed: The terms of remuneration to Dr. Rajesh Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 15 of the notice.
- vi) Detail of the remuneration paid by other players in the market to their managerial personnel: As stated in II. 1. (vi) above.
- vii) Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Dr. Rajesh Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Joint Managing Director of the Company and interest on unsecured loans/deposits provided by him from time to time. Dr. Rajesh Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father
Mr. Ravinder Jain	Brother
Mr. Sandeep Jain	Brother
Mr. Sumit Jain	Brother's Son

#### 4. Mr. Sandeep Jain

Mr. Sandeep Jain was re-appointed by the Board of Directors ("the Board") as Joint Managing Director of the Company for a period of five years w.e.f. 1st April, 2011, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Mr. Sandeep Jain was appointed as a Director of Panacea Biotec in November 1984, became a Whole-time director in February 1985 and currently holds the position of Joint Managing Director, since February 2002.

He is the youngest son of Mr. Soshil Kumar Jain, the Promoter-Director & Chairman of the Company. He has about 27 years' experience in the pharmaceutical industry.

He is mainly responsible for Panacea Biotec's international marketing, finance, tax laws and regulatory matters. Prior to joining Panacea Biotec Limited, he was associated with Radicura & Co., a partnership firm engaged in the retail and wholesale trading of pharmaceutical products.

- ii) Past remuneration: Mr. Sandeep Jain was re-appointed as Joint Managing Director of the Company with effect from 1st April 2011 in accordance with the provisions of Section 269 read with Schedule XIII of the erstwhile Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs. in Lac)

Financial Year	Salary	Allowances/ Perquisites	Total cost to the Company	% of net profits u/s 198
2013-14	56.40	8.16	64.56	-
2012-13	56.40	7.35	63.75	-
2011-12	120.00	7.15	127.15	-

The approval of the Central Government for the protection of remuneration paid to Mr. Sandeep Jain, Joint Managing Director of the Company in FY 2011-12 amounting Rs.1,27,15,123/- was obtained vide letter no. SRN No. B39389259/2/2011-CL.VII dated 31st October, 2012 in view of unexpected losses during that year. Further, applications for protection/approval of the Central Government for remuneration in the FY 2012-13 & 2013-14 have been duly filed and requisite approvals are awaited.

- iii) Recognition or awards: Mr. Sandeep Jain is a renowned and highly respected personality in the industry.

- iv) Job profile and his suitability: Mr. Sandeep Jain is involved in the overall supervision of day-to-day operations with emphasis on finance, international marketing, tax and regulatory affairs. Under his exceptional understanding of the business principles, the Company is continuously expanding its global aspirations by improving its international marketing efforts into various markets across the globe and is currently exporting its branded formulations in CIS countries, Asia, Europe and African region. Mr. Sandeep Jain has been intensively working on the international marketing efforts of the Company. His duties includes increasing the Company's International brand image and is actively exploring opportunities for launching as well as licensing out some of its patented products for manufacture/ marketing in developed countries in Europe, North America and Latin America. His spirit of team work has helped Panacea Biotec to attain the revenue to the tune of Rs.467.14 Crore during financial year 2013-14 from a rather humble level of Rs.92.5 Crore during the financial year 1997-98.
- v) Remuneration Proposed: The terms of remuneration to Mr. Sandeep Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 16 of the notice.
- vi) Detail of the remuneration paid by other players in the market to their managerial personnel: As stated in II. 1. (vi) above.
- vii) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Sandeep Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Joint Managing Director of the Company and interest on unsecured loans/deposits provided by him from time to time. Mr. Sandeep Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father
Mr. Ravinder Jain	Brother
Dr. Rajesh Jain	Brother
Mr. Sumit Jain	Brother's Son

#### 5. Mr. Sumit Jain

Mr. Sumit Jain was re-appointed by the Board of Directors ("the Board") as Whole-Time Director of the Company for a period of five years w.e.f. 22nd July, 2010, on the terms and payment of remuneration as specified in the resolution.

- i) Background details: Mr. Sumit Jain is a Post Graduate Diploma in Business Management. He is the elder son of Mr. Ravinder Jain, Managing Director of the Company and grandson of Mr. Soshil Kumar Jain, Promoter-Director and Chairman of the Company. He joined Panacea Biotec Limited in May, 2003 as Manager (Vaccines) and was appointed as Whole-time Director in July, 2005. He has about 14 years of experience in the pharmaceutical industry. He is currently acting as Director (Operations & Projects) of the Company. Prior to joining Panacea Biotec, he was associated with Radicura & Co. Ltd, as Executive Director.

- ii) Past remuneration: Mr. Sumit Jain was re-appointed as the Whole-time Director of the Company with effect from 22nd July, 2010, in accordance with the provisions of Section 269 read with Schedule XIII of the erstwhile Companies Act, 1956. He was being remunerated, for the last three financial years, as under:

(Rs.in Lac)

Financial Year	Salary	Allowances/ Perquisites	Total cost to the Company	% of net profits u/s 198
2013-14	25.20	9.88	35.08	-
2012-13	25.20	9.47	34.67	-
2011-12	36.00	14.41	50.41	-

The approval of the Central Government for the protection of remuneration paid to Mr. Sumit Jain, Whole-Time Director of the Company in FY 2011-12 amounting Rs. 5,040,981/- was obtained vide letter no. vide letter no. SRN No. B39389499/2/2011-CL.VII dated 31st October, 2012 in view of unexpected losses during that year. Further, the remuneration paid in Financial Year 2012-13 & 2013-14 was well within the limits specified in Schedule XIII of the Companies Act, 1956.

- iii) Recognition or awards: Mr. Sumit Jain is a renowned and highly respected personality in the industry.
- iv) Job profile and his suitability: Mr. Sumit Jain is involved in the upcoming projects and is also responsible for the administrative matters of Panacea Biotec's Lalru & Baddi facilities. He also oversees the Supply Chain Management of the Company. His spirit of team work has helped Panacea Biotec to attain the revenue to the tune of Rs.476.14 Crore during financial year 2013-14 from a rather humble level of Rs.92.5 Crore during the financial year 1997-98.
- v) Remuneration Proposed: The terms of remuneration to Mr. Sumit Jain, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 17 of the notice.
- vi) Detail of the remuneration paid by other players in the market to their managerial personnel: As stated in II. 1. (vi) above.

- vii) Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Sumit Jain does not have any material pecuniary relationship directly or indirectly with the Company or its managerial personnel, other than drawing his remuneration in the capacity as Whole-Time Director of the Company and interest on unsecured loans/deposits provided by him from time to time. Mr. Sumit Jain is related to other directors in the following manner:

Name of the Director	Relationship
Mr. Soshil Kumar Jain	Father's Father
Mr. Ravinder Jain	Father
Dr. Rajesh Jain	Father's Brother
Mr. Sandeep Jain	Father's Brother

III. Other Information:

1. Reasons of loss or inadequate profits:

The major reason for the loss during the financial year 2013-14 is the continuing downfall in the vaccine business which has got significantly affected due to withdrawal of the Company's pentavalent vaccine from the WHO's list of prequalified vaccines for supply to UNICEF and other UN agencies in financial year 2011-12. Further, there was decline in institutional business primarily on account of reduced supplies of oral polio vaccines against tender from Government of India and thereby has also contributed to the decline in the revenue and the profits of the Company. The company's performance during the financial year 2014-15 may also remain under pressure due to continuing of the adverse trend in the vaccine segment which may cause absence or inadequacy of profits.

2. Steps taken or proposed to be taken for improvement:

The Company has well laid strategy for its future growth with clearly identified growth drivers to boost its revenue and profitability over the medium to long term. The Company has taken all corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines. During the FY 2013-14, WHO has completed the evaluation process of pre-qualification (PQ) of Pentavalent Vaccine (Easyfive-TT) and has now pre-qualified the said vaccine for supply to UNICEF and UN Agencies. WHO has also informed UNICEF of its decision to pre-qualify such vaccine for considering the Company for giving commercial orders. The Company has received long term award for supply of such vaccine to UNICEF during the period 2014 to 2016 and has started supplying Easyfive-TT vaccine to UNICEF in the last quarter of financial year 2013-14. The Company is confident that Company's performance would improve and the Company will again be on a significant growth path over next few years.

3. Expected increase in productivity and profits in measurable terms:

In addition to steps being taken for improvement as detailed hereinabove, key focus area would be profit maximisation, conservation of cash, operational efficiencies, cost and working capital containment and investment in human resource. The Company is continuing in its endeavour to increase the revenues to improve profitability.

IV. Disclosures:

The requisite disclosures of remuneration package etc. have been made in the Corporate Governance report which forms part of Annual Report. The Remuneration Committee of the Board of Directors of the Company has in its meeting held on 30th May, 2014 approved and recommended the approval of remuneration of Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain. The Board recommends the resolutions as set out at item nos.13 to 17 for approval of the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain alongwith their relatives to the extent of their shareholding in the company are, in any way, concerned or interested, financially or otherwise, in these resolutions. A copy each of the resolutions dated 25th September, 2010 and 24th September, 2011 passed in the Annual General Meetings of the shareholders and resolutions passed by the Board of Directors, in the Board meeting held on 30th May, 2014 are open for inspection by members during business hours on all working days of the Company, upto the date of the Annual General Meeting, at the Registered Office as well as Corporate Office of the Company.

**Item No. 18**

PanEra Biotec Pvt. Ltd. is an associate company of the Company and a 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing Agreement (effective from October 1, 2014). In terms of proviso to Clause 49-VII(C) of the amended Listing Agreement, the contracts/ arrangements/transactions relating to transfer or receipt of products,

goods, materials or services with PanEra Biotec Pvt. Ltd. are material in nature as these transactions are likely to exceed 20% of the net worth of the Company as per the last audited financial statements of the Company. Therefore, in terms of Clause 49-VII(E) and section 188 of the Companies Act, 2013 and rules made thereunder, the contracts / arrangements / transactions with PanEra Biotec Pvt. Ltd. require the approval of shareholders of the Company by way of special resolution.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

1. Name of the related party : PanEra Biotec Private Limited
2. Name of the director or key managerial personnel who is related:
  - a. Mr. Soshil Kumar Jain
  - b. Mr. Ravinder Jain
  - c. Dr. Rajesh Jain
  - d. Mr. Sandeep Jain
  - e. Mr. Sumit Jain
3. Nature of relationship: The Company is an associate company.
4. Nature, material terms, monetary value and particulars of the contract: Transfer or receipt of goods, products, materials for an estimated amount upto Rs.160 Crore in each financial year and / or availing and providing of services, manufacturing facilities, utilities and property on lease, for an estimated amount of up to Rs.160 Crore every financial year on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and PanEra Biotec Pvt. Ltd. on arm's length basis.
5. Any other information relevant or important for the members to make a decision on the proposed transaction: None.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain alongwith their relatives to the extent of their shareholding in the company are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no. 18 for the approval of the members as a special resolution.

**Item No. 19**

Chiron Panacea Vaccines Pvt. Ltd. ("CPV") is a joint venture of your Company and Novartis Vaccines & Diagnostic S.r.l., a company organized and existing under the laws of Italy. CPV has discontinued its active operations pursuant to termination of joint venture during previous financial year and is in the process of voluntary winding up.

Since, CPV having registered office at Mumbai and was requiring a smaller place after discontinuation of operation and requested your company to provide two spare work stations at Company's Mumbai marketing office and with the prior approval of the Central Government, your Company executed a facility agreement with CPV on 10.09.2013 for 11 months effective from 16th June, 2013 for providing utilisation of two work stations inclusive of support services at the Company's Marketing Office at Mumbai. The Central Government in its approval had, inter-alia, prescribed that the Company shall take post-facto approval of the shareholders of the Company. The Board recommends the resolution set forth in Item no.19 for the approval of the members as a special resolution.

Mr. Vinod Goel, G.M. Legal & Company Secretary, Key Managerial Personnel of the Company may be considered as interested in the resolution in his capacity as director and liquidator of CPV alongwith his relatives to the extent of their shareholding interest in the company.

Save and except as above, none of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The agreement and Central Government approvals, referred above shall be available for inspection by the members at the Registered Office and Corporate Office of the Company on any working day during business hours.

By order of the Board  
For Panacea Biotec Ltd.

Place: New Delhi  
Date: 1st August, 2014

Vinod Goel  
G.M 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 41679075

### FORM OF PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member : .....

Registered Office : .....

E-mail id : .....

Folio no. / DP ID : .....

Client ID : .....

I/We being the member(s) of ..... shares of the above named Company hereby appoint:

1. Name: ..... E-mail id: .....  
Address: ..... Signature: ..... or failing him/her
2. Name: ..... E-mail id: .....  
Address: ..... Signature: ..... or failing him/her
3. Name: ..... E-mail id: .....  
Address: ..... Signature: .....

As my/our proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company, to be held at its registered office at Ambala-Chandigarh Highway, Lalru-140 501, Punjab on Thursday, the 25th day of September, 2014 at 11:30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	For*	Against*
<b>Ordinary business</b>			
1.	Adoption of Audited Annual Accounts for the financial year 2013-14 and reports of Directors and Auditors thereon.		
2.	Re-appointment of retiring director i.e. Mr. Soshil Kumar Jain		
3.	Appointment of M/s. Walker Chandiok & Co LLP as Statutory Auditors		
<b>Special business</b>			
4.	Appointment of Mr. Raghava Lakshmi Narasimhan as independent director		
5.	Appointment of Mr. Namdeo Narayan Khamitkar as independent director		
6.	Appointment of Dr. Aditya Narain Saxena as independent director		
7.	Appointment of Mr. Krishna Murari Lal as independent director		
8.	Amendment in Articles of Association of Company		
9.	Variation in the terms of appointment of Mr. Ravinder Jain, Managing Director.		
10.	Variation in the terms of appointment of Dr. Rajesh Jain, Joint Managing Director		
11.	Variation in the terms of appointment of Mr. Sandeep Jain, Joint Managing Director		
12.	Appointment and ratification of remuneration of M/s. J.P. Gupta & Associates as Cost Auditors of the Company.		
13.	Approval of remuneration of Mr. Soshil Kumar Jain, Chairman for the financial years 2014-15 & 2015-16.		
14.	Approval of remuneration of Mr. Ravinder Jain, Managing Director for the financial years 2014-15 & 2015-16.		
15.	Approval of remuneration of Dr. Rajesh Jain, Joint Managing Director for the financial years 2014-15 & 2015-16.		
16.	Approval of remuneration of Mr. Sandeep Jain, Joint Managing Director for the financial years 2014-15 & 2015-16.		
17.	Approval of remuneration of Mr. Sumit Jain, Whole-time Director for the financial year 2014-15.		
18.	Approval for entering into contract/ arrangements/ transactions with M/s PanEra Biotec Pvt. Ltd., an associate company.		
19.	Post facto approval of facility agreement entered with M/s Chiron Panacea Vaccines Pvt. Ltd.(under liquidation), Joint Venture Company.		

Signed this ..... day of ..... 2014



.....  
Signature of Shareholder

.....  
Signature of proxy holder(s)

- Notes :**
1. This form of Proxy, in order to be effective, should be deposited at the Registered/Corporate Office of the Company, not later than 48 Hours before the commencement of the aforesaid meeting.
  2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- \* This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



# Panacea Biotech Ltd.

(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.panaceabiotech.com](http://www.panaceabiotech.com), E-mail: [companysec@panaceabiotech.com](mailto:companysec@panaceabiotech.com),

Tel: +91 11 41679000, Fax: +91 11 41679075

Sl. No.

## ATTENDANCE SLIP 30TH ANNUAL GENERAL MEETING

1. Folio / D.P. & Client I.D. No.:

2. Name:

3. Address:

4. Joint Holder(s), if any:

5. No. of Equity Shares held:

6. Name of the Proxy / Representative, if any:

I/ we hereby record my/our presence at the 30th Annual General Meeting of the Company, being held at its registered office at Ambala-Chandigarh Highway, Lalru-140 501, Punjab, on Thursday, the 25th day of September, 2014 at 11:30 A.M.

(Signature of the Shareholder/ Proxy/ Authorised Representative)

IMPORTANT: This attendance slip may please be handed over at the entrance of the Meeting Hall.

### VOTING THROUGH ELECTRONIC MEANS

Shareholders may please note the electronic voting particulars set out below for the purpose of e-voting in terms of section 108 of the Companies Act, 2013 and Clause 35 B of the Listing Agreement.

EVEN (E-voting Event Number)	USER ID	PASSWORD / PIN
Commencement of e-voting		End of e-voting
From 09:00 AM on 18th September, 2014		Upto 06:00 PM on 20th September, 2014

Note: Please read the e-voting instructions printed overleaf before exercising the vote.

These e-voting details and instructions form an integral part of the Notice of the 30th Annual General Meeting to be held on 25th September, 2014.

## INSTRUCTIONS

- A. The Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting to be held on Thursday, 25th September 2014, at 11:30 AM. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide the E-voting facility.

NSDL shall be sending the user ID & passwords to those members whose e-mail ids are registered with Company /depository participants. You are receiving this physical copy of the Notice of AGM since your e-mail id is not registered or you have requested for the physical copies of the same.

The instructions for e-voting are as under:

- i) Initial password is provided at the bottom of the attendance slip for the AGM or by NSDL via e-mail.
  - ii) Open the internet browser and type the following URL: <https://www.evoting.nsd.com>.
  - iii) Click on Shareholder-Login.
  - iv) Put user ID and password as initial password/PIN provided overleaf / via e-mail. (Please note: If you are already registered with NSDL for e-voting, you can use your existing user ID and password for casting your vote.)
  - v) The password change menu will appear on your screen. Change to a new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \* etc). Please take utmost care to keep your password confidential.
  - vi) Home page of e-voting appears. Clicks on e-voting: Active Voting Cycles.
  - vii) Select "EVEN" (E-Voting Event Number) of Panacea Biotec Limited.
  - viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - x) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xi) For the votes to be considered valid, the corporate and institutional shareholders (companies, trusts, societies, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/ Appropriate Authorization etc. together with attested specimen signature of the duly authorized signatory(ies), to the Scrutinizer through e-mail at [scrutinizer@panaceabiotec.com](mailto:scrutinizer@panaceabiotec.com) or [pblscrutinizer@gmail.com](mailto:pblscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - xii) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of NSDL's e-voting website: [www.evoting.nsd.com](http://www.evoting.nsd.com).
- B. The e-voting period commences on September 18, 2014 (9.00 A.M.) and ends on September 20, 2014 (6.00 P.M.) During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- C. The voting rights of the members shall be in proportion to their shares in the equity capital of the Company, as on the cut off date, being Friday, of 22nd August, 2014.
- D. Mr. Akshit Gupta, Practising Company Secretary (Membership No.22963), Partner M/s. U. S. & Associates has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, within a period of not exceeding 3 (three) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
- E. The results shall be declared on or after the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.panaceabiotec.com](http://www.panaceabiotec.com) and on the website of NSDL within two days of passing of the resolutions at the 30th Annual General Meeting of the Company and shall be communicated to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.



**Panacea Biotec Limited**  
(CIN:L33117PB1984PLC022350)

*Secretarial Deptt.*

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