



Panacea Biotec

Innovation in support of life

17th November, 2014

The Manager, Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051
Fax No.:022-26598237 / 38
NSE Symbol : PANACEABIO

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Fax No.:022-22721919, 3121
BSE Scrip Code: 531349

Dear Sir,

Reg.: Notice of Postal Ballot alongwith Explanatory Statement in pursuance to clause 31 of the Listing Agreement.

Pursuant to the provisions of clause 31 of the Listing Agreement, please find enclosed 3 (three) copies of Notice of Postal Ballot dated 31.10.2014 alongwith the Explanatory Statement seeking the consent of members by way Postal ballot for following items:

- a) Appointment of Mr. Om Parkash Kelkar (DIN: 00943362) as a non-executive independent director;
- b) Granting option to CDR Lenders for converting Loans into Equity Shares;
- c) Sale of entire or substantial part of stake in Company's subsidiary NewRise Healthcare Pvt. Ltd ; and
- d) Creation of charges/mortgages on the Company's properties, in respect of borrowings upto Rs.1,500 Crore.

The same are being sent to the shareholders of the Company through e-mail/post.

This is for your kind information and record please.

Thanking you,

Sincerely yours,

For **Panacea Biotec Ltd.**

Vinod Goel

Sr. Vice President Legal & Company Secretary

Encl. As Above.

- I. Corporate Relationship Department
Bombay Stock Exchange Ltd.,
1st Floor, New Trading Ring,
Rotundu Building, P J Towers,
Dalal Street, Fort, Mumbai – 400 001
Fax No.22722037/39/41/61/3121/371

Panacea Biotec Ltd.

Email: vinodgoel@panaceabiotec.com
Phone: D.I.D. +91-11-4167 9015
Fax: +91-11-4167 9075

NOTICE OF POSTAL BALLOT
(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, that the Resolutions appended below are proposed to be passed by way of Postal Ballot including voting by electronic means ("e-voting"). The Explanatory Statement pertaining to the said Resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto alongwith a Postal Ballot form for your consideration.

The Board of Directors has appointed Mr. Akshit Gupta of M/s. U S & Associates, Practising Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. You are requested to carefully read the instructions printed on the Form, record your assent or dissent therein and return the same in original duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6:00 p.m. on Wednesday, 17th December, 2014. Please note that any Postal ballot form(s) received after the said date will be strictly treated as if no reply has been received from the member. No other form thereof shall be permitted.

Members desiring to opt for e-voting as per e-voting facilities arranged by the Company are requested to read the notes to the Notice of the Postal Ballot.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman. The result of the Postal Ballot shall be declared by the Chairman or any other Director/Officer authorized by the Chairman on Tuesday, the 23rd December, 2014, by placing it, alongwith the scrutinizer report, on the website of the Company viz. www.panaceabiotec.com and on the website of National Securities Depository Limited ("NSDL") within 2 days of passing of the resolutions and shall be intimated to the Stock Exchanges where the Company's shares are listed.

Members may please note that a resolution if assented to by the requisite majority of the shareholders by means of postal ballot including e-voting, will be taken as passed effectively on the date of declaration of results.

PROPOSED RESOLUTIONS

1. Appointment of Mr. Om Parkash Kelkar (DIN: 00943362) as a non-executive independent director

To consider and, if deemed fit, to pass through Postal Ballot including e-voting, 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 entered with stock exchanges, Mr. Om Parkash Kelkar (DIN: 00943362) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. October 31, 2014 pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of next Annual General meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of the Directorship of the Company, be and is hereby appointed as a non-executive independent director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from the date of his appointment i.e. October 31, 2014 upto 30th October, 2019."

2. Option to CDR Lenders for converting Loans into Equity Shares

To consider and, if deemed fit, to pass through Postal Ballot including e-voting, the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 62(3) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed thereunder, (including any statutory modification or re-enactment thereof), provisions of the listing agreement entered with stock exchange(s) and the Memorandum & Articles of Association of the Company and subject to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") (including any statutory modification or re-enactment thereof, for the time being in force) and other regulations/guidelines issued by the SEBI and approval of Reserve Bank of India, FIPB or any other applicable laws, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded for granting rights to the Consortium Banks, lenders of the Company ("CDR Lenders") to exercise the option to convert into equity (i) entire/part of defaulted principal/interest as per the SEBI pricing formula in the event of default; (ii) 20% of the term debt outstanding beyond seven years as per SEBI guidelines/loan covenants, whichever is applicable, and (iii) the Working Capital Term Loan (WCTL) and Funded Interest Term Loan (FITL), from time to time during the restructuring period.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board for issuing from time to time appropriate number of Equity Shares of the face value Re.1/- to the CDR Lenders upon their exercise of the option to convert the whole or part of their loans as per the conditions of the Corporate Debt Restructuring-Letter of Approval ("CDR LOA"), approved by the Corporate Debt Restructuring Empowered Group ("CDR EG") vide letter of approval dated 24th September, 2014 and October 11, 2014, at a price determined as per the SEBI pricing formula and the provisions of the Companies Act, 2013, as may be applicable from time to time.

RESOLVED FURTHER THAT the Equity Shares so allotted and issued to the CDR Lenders shall rank pari passu with the existing Equity Shares of the Company in all respects, inter alia, the dividends and other distributions declared or to be declared in respect of the equity share capital of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

3. Approval for sale of investment in subsidiary

To consider and, if deemed fit, to pass through Postal Ballot including e-voting, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof), and clause 49 of the listing agreement entered into with stock exchange(s) and Memorandum & Articles of Association of the Company and other laws for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to transfer/sell/otherwise

dispose of the whole or substantial part of the stake in Company's subsidiary viz. "M/s NewRise Healthcare Private Limited" on such terms and conditions (including the receipt of the consideration thereof) in such manner as may be decided by the Board, with effect from such date as the Board deems appropriate.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the terms and conditions as well as the means, methods or modes in respect thereof and to finalise and execute all the required documents including Business Transfer Agreement, Commercial Agreement, Investment Agreement, Shareholders Agreement, memoranda and / or deed of assignment and/or conveyance and other incidental transactional documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and / or expedient in its discretion for completion of the transaction as aforesaid in the best interest of the Company."

4. Creation of Charges/Mortgages on the Company's properties both present and future, in respect of borrowings

To consider and, if deemed fit, to pass through Postal Ballot including e-voting, the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of Resolution No.2 passed vide Postal Ballot conducted by the Company on September 27, 2008 and pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons), to mortgage and/or charge any of its movable and/or immovable properties wherever situated, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company on such terms and in such manner as the Board may think fit, together with power to take over the management of the business or concern of the Company in certain event(s), for securing any loan(s) obtained/to be obtained from, or Securities issued/ to be issued to, Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not (hereinafter collectively referred to as "lenders"), for an amount not exceeding Rs.1,500 Crore (Rupees One Thousand Five Hundred Crore) and/or equivalent thereto in any foreign currency, together with interests, compound/ additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the concerned lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

Regd. Office:

Ambala-Chandigarh Highway,

Lalru-140501, Punjab.

Date: 31.10.2014

By order of the Board
For Panacea Biotec Ltd.

Vinod Goel
G.M Legal & Company Secretary

NOTES:

1. The Explanatory Statement for the proposed Resolutions pursuant to Section 102 of the Act setting out material facts are appended to the Notice.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited ("NSDL")/ Central Depository Services (India) Limited ("CDSL") as on 31st October, 2014.
3. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014, (hereinafter the "CMA Rules") and the listing agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with NSDL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Please note that e-voting is optional.
4. As per CMA Rules, Notice of Postal Ballot may be served on the Members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent Notice of Postal Ballot by e-mail and Members who have not registered their e-mail IDs will receive Notice of Postal Ballot alongwith Postal Ballot Form through post. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from the link www.evoting.nsdl.com or from the 'Investors Zone' section on the Company's website www.panaceabiotec.com.
5. Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
6. The notice of Postal Ballot / e-voting is dispatched / emailed to the members whose names appear on the Register of Members as on 31st October, 2014 and voting rights shall be reckoned on the basis of paid up value of the shares registered in the name of the members as on the said date.
7. The e-voting period ends on 17th December, 2014 (6.00 pm). E-voting shall be disabled by NSDL at 6.00 p.m. on 17th December, 2014.
8. Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives as explained in point no. 9A(xi) below.
9. The instructions for e-voting are as under:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open the e-mail and then open the PDF file namely "PBL e-voting.pdf" with your Client ID or Folio No. as password. The PDF file contains your user ID and password/PIN for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
 - (ii) Open the internet browser and type the following URL:
<https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder-Login.
 - (iv) Put user ID and password as initial password/PIN provided in the PDF file.
 - (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 or pbbscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

- B. In case of Members receiving Postal Ballot Form by Post [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
 - i. User ID and initial password is provided in the Postal Ballot Form.
 - ii. Please follow all steps from Sr. No. 9A (ii) to 9A (xi) above, to cast your vote.
 - C. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for Login to cast your vote.
10. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
11. 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 Downloads section of NSDL's E-Voting website: www.evoting.nsdl.com.

ANNEXURE TO THE NOTICE

(Statement under Section 102 of the Companies Act, 2013)

ITEM NO.1

As per Clause 49 of the Listing Agreement the Board of Directors of a Listed Company should comprise of atleast half of the Independent Directors in case the Chairman is an executive director. The Company had an optimal combination of Executive Directors and Independent Non-Executive Directors till 31st March, 2014. However, upon commencement of the Companies Act, 2013 w.e.f. 1st April, 2014, Mr. Sunil Kapoor who was an Independent Director appointed earlier as per clause 49 of the listing agreement, was not satisfying the criteria of independence as per the provisions of the Companies Act, 2013 and resigned from the post of directorship of the Company w.e.f. August 05, 2014.

Upon recommendation of Nomination & Remuneration Committee of the Board of Directors, the Board of Directors of the Company had in its meeting held on 31st October, 2014, appointed Mr. Om Parkash Kelkar (DIN:00943362) whose profile is given herein below, as an Additional Director of the Company in the category of Non-Executive Independent Director w.e.f. 31st October, 2014.

A brief profile of Mr. Om Parkash Kelkar:

Age : 67 Years

Qualification: B.A. Hons. & M.A in Political Science

Professional Expertise: Mr. Om Parkash Kelkar is ret'd. IAS Officer (U.T. Cadre) AGMU of the 1972 batch. He retired from the post of Principal Secretary (Home), Govt. of NCT of Delhi in the year 2007. Prior to his retirement, he also held senior level positions in various Government ministries and offices including Principal Secretary (Urban Development), Govt. of NCT of Delhi, Commissioner Excise & Entertainment Tax and Director of Prohibition, Delhi Administration, Managing Director, Delhi Tourism Corporation etc. He has expertise in planning, supervision and monitoring the functioning of various important government departments. He has vast experience in the field of administration, education, election, human resource, agriculture, animal husbandry, diary development, planning process and financial matters.

Directorships: He is a director of Surprise Properties Private Limited

Committee Membership / Chairmanship: Nil

Shareholding in the Company: Nil.

Further, in accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 and Clause 49 of the listing Agreement, an independent director can be appointed for a term of upto 5 consecutive years and the said appointment shall be approved at the meeting of shareholders. Further, the term of such independent director shall not be liable to determine by rotation.

The Company has duly received from Mr. Om Parkash Kelkar (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 he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received notice from a member along with a deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. Om Parkash Kelkar fulfills the conditions for his appointment as Independent Director as specified in the Companies Act, 2013 and rules made thereunder and the Listing Agreement and is independent of the management.

Accordingly, considering his expertise and rich experience, the Board considers that his association would be of immense benefit to the Company and accordingly, recommends the appointment of Mr. Om Parkash Kelkar as a non-executive independent director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from the date of his appointment i.e. October 31, 2014 upto 30th October, 2019.

A copy each of the disclosures received from Mr. Om Parkash Kelkar as aforesaid, notice under section 160 of the Act and letter of appointment setting out the terms & conditions of his appointment are available for inspection, without any fee, by the members at the Company's registered office / Corporate Office during normal hours on working days.

Except Mr. Om Parkash Kelkar, being appointee or his relative, none of the Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 1 of the Notice.

ITEM NO.2

The Company manufactures and markets vaccines, branded formulations and biotechnology-based products of international quality. As you are aware that the Company suffered a significant setback 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 also 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. As a result, the ability of the Company to meet its repayment obligations / liabilities under the various facilities availed by it were adversely affected and therefore the Company made a reference to Corporate Debt Restructuring ("CDR") Cell for comprehensive debt restructuring of the Company's debts through CDR mechanism. The CDR Empowered Group ("CDR EG") had in its meeting held on September 09, 2014 approved the CDR proposal and issued a Letter of Approval (LOA) dated September 24, 2014, which has been ratified in the CDR (EG) meeting held on September 25, 2014 and confirmed as final vide letter dated October 11, 2014 from CDR Cell.

As per the LOA dated 24.09.2014, the Consortium Banks, lenders of the Company ("CDR Lenders") shall have right to convert entire/part of the defaulted principal and interest into equity shares in case of default in repayment of the principal / interest by the Company, at a price determined as per the SEBI pricing formula. Moreover, in case of those CDR Lenders who already have default conversion rights, the same would be governed by existing loan covenants. Further, as per the CDR LOA, CDR Lenders shall have right to convert into equity shares upto 20% of the term debt outstanding beyond seven years. As regards working capital term loan (WCTL) and funded interest term loan (FITL), the conversion option would be available at any time during the restructuring period. In the event any lender exercise its right to sell the shares issued in terms of the conversion clause, the first right of refusal to buy back the shares would be offered to the promoters. As per the draft

Master Restructuring Agreement received from SBI, the proposed terms of conversion of loans shall be as follows:

- i. Notice Period: at least 30 (thirty days) from the CDR Lenders to the Company "Notice of Conversion".
- ii. On receipt of the Notice of Conversion, the Company shall allot and issue the requisite number of fully paid-up Equity Shares to the CDR Lenders and such CDR Lenders shall accept the same in satisfaction of the loans of the CDR Lenders so converted, as envisaged under the CDR LOA;
- iii. The part of the said loans so converted shall cease to carry interest as from the date of conversion and the said loans shall stand correspondingly reduced. Upon such conversion, the repayment installments payable after the date of conversion as per the CDR LOA shall stand reduced proportionately by the amounts of the said loan so converted;
- iv. The Equity Shares so allotted and issued to the CDR Lenders shall rank pari passu with the existing Equity Shares of the Company in all respects, inter alia, the dividends and other distributions declared or to be declared in respect of the equity capital of the Company; and
- v. In the event that the CDR Lenders exercise the conversion right as aforesaid, the Company shall, if so required by the said CDR Lenders, at its cost, apply to the stock exchanges where the shares of the Company are listed for the listing of the Equity Shares issued to the CDR Lenders as a result of the conversion.

In accordance with the provisions of section 62(3) of the Companies Act, 2013, it is proposed to obtain approval of the Members for agreeing to the terms which grant to the CDR lenders an option to seek conversion of the restructured facilities into Equity Shares in connection with loans restructured/granted by the said CDR lenders in accordance with the said LOA issued by the CDR Cell.

The relevant extract of CDR LOA is available for inspection, without any fee, by the members at the Company's registered office / Corporate Office during normal hours on working days.

Your Directors recommends the passing of resolution at Item No. 2 of the Notice as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution as set out at Item No.2 of the Notice.

ITEM NO.3

The Company has set-up a hospital at Gurgaon through its subsidiary NewRise Healthcare Pvt. Ltd. ("NewRise") and has invested an amount of around Rs.50 Crore on the project till date and holds 87.4% of the equity share capital of NewRise. The project has also been partly funded by way of secured loan of Rs.101 Crore from Bank of Baroda. The hospital project could not be completed for last 1 year due to non-availability of funds required to complete the project, on account of inter-alia, financial challenges of the Company. As per the terms of Corporate Debt Restructuring Letter of Approval ("CDR-LOA"), the Company has been mandated to consider liquidating one or more of its investments in subsidiaries and also dispose of its idle movable and immovable assets or the assets which are not currently in use and can be disposed of without adversely impacting its operations.

Therefore, the Board of Directors has in its meeting held on 31.10.2014 decided to sell its entire or substantial part of stake in NewRise at an enterprise value of not less than the Company's total investment therein as on the date of sale. However, as per Clause 49 of the Listing Agreement related to Corporate Governance effective from 1st October, 2014, prior approval of shareholders by way of special resolution is required for any divestment of shares in a 'material subsidiary' if such divestment would reduce Company's shareholding in its subsidiary to less than 50% or cease the exercise of control over subsidiary. The term 'Material Subsidiary' has been defined as a subsidiary in which investment of the Company is more than 20% of its consolidated net worth as per the Audited Financial Statements of the previous year or if the subsidiary has generated 20% of the Consolidated Income of the Company during the previous year and accordingly, NewRise falls under the category of material subsidiary. Therefore, shareholders' approval is sought for enabling the Board of Directors to sell entire or substantial part of stake in NewRise in the best interest of the Company. Your Directors, therefore, recommend the resolution as set out in item no. 3 of the Notice for your approval.

The relevant extract of CDR-LOA is available for inspection, without any fee, by the members at the Company's registered office / Corporate Office during normal hours on working days.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution as set out at Item No. 3 of the Notice.

ITEM NO.4

The members had vide Postal Ballot dated 27th September, 2008, passed Ordinary Resolution for item no. 2 thereof and accorded their consent to the Board of Directors for creation of charges on Company's properties for borrowing upto Rs.1,500 crore (Rupees One Thousand Five Hundred Crore) for the purpose of meeting the capital expenditure and additional working capital requirements and any other corporate purposes, as required under Section 293(1)(a) of the Companies Act, 1956.

With the implementation of Section 180(1)(a) of the Companies Act, 2013 effective from September 12, 2013, now shareholders' approval is required by way of a special resolution as against ordinary resolution under the Companies Act, 1956. The Ministry of Corporate Affairs has vide General Circular No. 04/2014 dated March 25, 2014 clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013, for a period of one year from the date of notification of section 180 of the Act i.e until September 11, 2014.

Accordingly the Company had sought the fresh approval of the Members by means of special resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions, other investing agencies/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business) by way of Postal Ballot dated 01.08.2014. However, the said resolution could not be passed with requisite majority.

As per the terms of Corporate Debt Restructuring Letter of Approval dated 24.09.2014, the Company would require creation / modification of charges on the Company's assets. Whilst no increase in the said limit is currently being proposed, the members' approval is required pursuant to Section 180(1)(a) of the Companies Act, 2013 by way of special resolution. Your Directors, therefore, recommend the resolutions as set out in item no. 4 of the Notice for your approval.

The Certified Copy of Resolution passed vide Postal Ballot dated 27th September, 2008 and relevant extract of CDR-LOA is available for inspection, without any fee, by the members at the Company's registered office / Corporate Office during normal hours on working days.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution as set out at Item No. 4 of the Notice.

Regd. Office:
Ambala-Chandigarh Highway,
Lalru-140501, Punjab.
Date: 31.10.2014

By order of the Board
For Panacea Biotec Ltd.

Vinod Goel
G.M Legal & Company Secretary



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, E-mail: companysec@panaceabiotech.com,

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

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this Form)

Sl. No.

1. Registered Folio No./DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form)

2. Name(s) of Shareholder(s)/ Beneficial Owner(s) (in Block Letters)

3. Registered address of the Sole/ First named Shareholder/ Beneficial Owner

4. Joint Holders, if any

5. Number of Shares held

6. E-voting Even Number (EVEN)

7. User-ID

8. Password / PIN

I/ We hereby exercise my/our vote in respect of the resolutions to be passed through postal ballot for the business as stated in the notice dated October 31, 2014 of the Company by sending my/our assent or dissent to the said resolutions by placing (✓) mark at the appropriate box below:

Sl. No.	Description	No. of shares	I/We assent/ agree to the Resolution	I/We dissent/ disagree to the Resolution
(1)	Ordinary Resolution for appointment of Mr. Om Parkash Kelkar (DIN: 00943362) as Non-Executive Independent Director for a term of 5 consecutive years i.e. from October 31, 2014 upto 30th October, 2019.			
(2)	Special Resolution for granting option to CDR Lenders for conversion of loans into equity shares as per CDR LOA.			
(3)	Special Resolution for sale of entire or substantial part of stake in the Company's Subsidiary NewRise Healthcare Pvt. Ltd.			
(4)	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 authorizing Board of Directors to mortgage and/or charge/ hypothecate movable and/or immovable properties of the Company, both present and future, in respect of borrowings of an aggregate amount not exceeding Rs.1,500 Crore including existing borrowings.			

Date :

Place :

(Signature of the Shareholder/First Named Joint Holder)

Notes:

1. If you opt to cast your vote by e-voting there is no need to fill up and sign this form.
2. Last date for receipt of Postal Ballot Form : 17th December, 2014
3. The e-voting period ends on 17th December, 2014 (6.00 pm). E-voting shall be disabled by NSDL at 6.00 p.m. on 17th December, 2014.
4. Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

- a) A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer, Mr. Akshit Gupta of M/s. U S & Associates, Practising Company Secretaries, in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if sent by courier or registered/speed post at the expense of the Shareholder will also be accepted.
- b) Please convey your assent/dissent in this Postal Ballot form only. The assent or dissent received in any other format shall not be considered valid. A Shareholder need not use all the votes nor needs to cast all the votes in the same way.
- c) This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/RTA or Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
- d) Voting rights in the Postal Ballot / e-voting cannot be exercised by a proxy. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorisation, with the specimen signature(s) of the authorised signatory (ies) duly attested.
- e) There will be one Postal Ballot Form / e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- f) The notice of Postal Ballot / E-voting is dispatched / emailed to the members whose names appear on the Register of Members as on 31st October, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the members as on the said date.
- g) Duly completed Postal Ballot Form should reach the Scrutinizer not later than **17th December, 2014**. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Shareholder(s) has not been received.
- h) Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- i) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for Members opting for voting by Postal Ballot" point 'd' above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the Scrutinizer.
- j) Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal Ballot, then please do not cast your vote by e-voting and vice versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through postal ballot form shall be considered invalid.
- k) The Company is pleased to offer e-voting facility as an option to all the Members of the Company to cast their votes electronically instead of dispatching postal ballot forms. E- voting is optional.
- l) In case shareholders are willing to vote through e-voting, please follow the instructions mentioned in the postal ballot notice to cast your vote in electronic mode.