Panacea Biotec

Innovation in support of life

To the Members of Panacea Biotec Ltd.

Abstracts of the terms and conditions of re-appointment of Mr. Soshil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Dr. Rajesh Jain, Joint-Managing Director and Mr. Sandeep Jain, Joint Managing Director and variation in the terms of remuneration of Mr. Sumit Jain, Director (Operations and Projects) of the Company, pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors at its meeting held on 27th January, 2011 considered and approved the re-appointment of Mr. Soshil Kumar Jain as Whole-time Director designated as Chairman, Mr. Ravinder Jain as Managing Director, Dr. Rajesh Jain as Joint Managing Director and Mr. Sandeep Jain as Joint Managing Director of the Company with effect from April 1, 2011 on the terms as mentioned below, subject to the approval of members in the forthcoming Annual General Meeting of the Company as per the provisions of Companies Act, 1956.

The Board of Directors had at the said Board Meeting also considered and approved the variation in the terms of remuneration of Mr. Sumit Jain, Whole-time Director w.e.f. April 1, 2011.

The abstract of the terms and conditions of the re-appointments of Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, and Mr. Sandeep Jain and variation in the terms of remuneration of Mr. Sumit Jain is set out below:

1. Mr. Soshil Kumar Jain (Chairman), Mr. Ravinder Jain (Managing Director), Dr. Rajesh Jain (Joint Managing Director) and Mr. Sandeep Jain (Joint Managing Director):

A. Period of re-appointment: 5 years w.e.f. April 1, 2011;

B. Remuneration:

a) Monthly Salary: With the liberty to the Board to review and set the level from time to time.

(Amount in Rs.)

Name	Minimum	Maximum
Mr. Soshil Kumar Jain	12,00,000	24,00,000
Mr. Ravinder Jain	12,00,000	24,00,000
Dr. Rajesh Jain	10,00,000	20,00,000
Mr. Sandeep Jain	10,00,000	20,00,000

b) Commission:

Upto 2% of the profits of the company computed in the manner laid down in section 349 and 350 of the Companies Act, 1956, as may be decided by the Board from time to time to each one of the above.

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.

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.

Panacea Biotec Ltd. New Delhi

C. 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. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.
3. Save and except with the approval of Central Government and/ or other applicable authority(ies), the remuneration payable to all the Directors on the Board (including the above said Directors) during any year, shall not exceed the amount as may be payable as per the limits prescribed under Section 198 and 309 of the Act and in case the aggregate of the total remuneration payable to all the Directors exceeds the above limits, the amount payable to all the Managing/Joint Managing Directors and Whole-time Directors (including the above said Directors) shall be reduced to the amount permissible as per the said limits and in such event the remuneration payable to the Managing/Joint Managing/Whole-time Directors shall be reduced proportionately unless otherwise decided by the Directors.
4. Minimum Remuneration - Save and except with the approval of Central Government and/or other applicable authority(ies), in the event of loss or inadequacy of profits, the total remuneration by way of salary, commission, perquisites and any other allowances payable to the above said Directors, shall not exceed the limits as prescribed in Para 1(A) of Section II of Part II of Schedule XIII to the Act from time to time.
5. Unless otherwise a shorter period is decided mutually between the respective Director and the Board of Directors, the office as Managing/Joint Managing/Whole-time Director may be terminated by either party by giving three months' notice in writing, of such termination.
6. If, at any time, any of the above referred persons ceases to be the director of the Company for any causes whatsoever, his office as Managing Director/ Joint Managing Director/ Whole-time Director shall forthwith be terminated.

2. Mr. Sumit Jain (Whole-time Director):

A. Salary: Rs.3,00,000/- p.m. subject to a maximum of Rs.4,50,000/- p.m. with the liberty to the Board to review and set the level from time to time.

B. Perquisites and Allowances shall remain the same as approved by the shareholders in their General Meeting held on 25th September, 2010.

MEMORANDUM OF INTEREST

Each one of the above said Managing/ Joint Managing/ Whole-time Directors, is concerned or interested in his re-appointment/ variation in terms of remuneration.

Further, Mr. Soshil Kumar Jain, Mr. Ravinder Jain, Dr. Rajesh Jain, Mr. Sandeep Jain and Mr. Sumit Jain being related to each other, each one of them may also be deemed to be concerned or interested in the re-appointment/ variation in terms of remuneration of each other.

Save and except as above, none of the Directors is, in any way, concerned or interested in the above said re-appointments and variation in the terms of remuneration.

for Panacea Biotec Ltd.

Place: New Delhi
Date : 27-01-2011

Vinod Goel
Company Secretary

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If undelivered, please return to:

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Panacea Biotec Ltd.
Secretarial Deptt.
B-1 Extn./G-3, Mohan Co-op. Indl. Estate, , Mathura Road, New Delhi - 110 044, INDIA.
Phone: +91-11-4167 9000 Extn. 2081, Fax: +91-11-4167 9075, 4167 9070,
E-mail: companysec@panaceabiotec.com, Website: www.panaceabiotec.com