

Explanatory Statement under Sec.102 of the Companies Act, 2013.

The Ministry of Commerce, Government of India, vide its Order No. 15/130/2015-EP(Engg)/Pharma date 16.10.2015 directed Pharmexcil to amend Articles 17.8, 17.9, 26, 33.1 and 33.2 of Articles of Association for smooth administration of Council.

Vide letter No. 12/2/2013-15-E&MDA dated 7.12.2015, the Department of Commerce directed all the Councils to follow certain guidelines with respect to mode of conducting of elections to the Committee of Administration, election of Vice Chairman etc.

Salient features of the directives are as under:

- a) Elections to the Committee of Administration have to be conducted through electronic voting
- b) Vice Chairman shall be one of the CoA members to be elected directly by the general body of members eligible to vote, irrespective of panels / categories. After completion of two years term as Vice Chairman he/she shall take over as Chairman for the succeeding two years without going for election again.
- c) A reputed agency to be appointed to conduct elections in a free and fair manner
- d) A person having held the post of Chairman can contest for the position of Vice Chairman only after a gap of two years and if elected as such, may succeed as Chairman if he is otherwise qualified.

While Council has been following some of the guidelines like conducting elections through electronic voting etc., even before receiving the above guidelines, amendments to Article 9.3, 27.1, 27.2, 27.7, 27.8 of Articles of Association are proposed in the process of implementation of guidelines issued by the Ministry vide its letter dated 7.12.2015 and give legal effect thereto.

Prior approval of Ministry of Company Affairs as required under Article 48 of Articles of Association for amending the Articles is applied for and is under process and the implementation of the proposed resolutions, if passed, will be subject to receipt of the said approval.

The Committee of Administration (CoA) has approved the amendments in circulation and commend the same for adoption by the general body of members

Memorandum of Interest:

None of the Members of the CoA, the Key Managerial Personnel or their relatives is interested in the resolutions proposed amending the articles, either directly or indirectly.

Material Documents:

The letters from the Department of Commerce cited and the Articles of Association of the Council prior to the subject amendments are available for inspection of the Members at the Registered Office of the Company during office hours till the conclusion of the meeting.

By order of the Committee of Administration

Udaya Bhaskar
Director General & Member Secretary