



**MEMORANDUM  
&  
ARTICLES OF ASSOCIATION**

(as amended upto 29<sup>th</sup> August, 2017)

**Pharmaceuticals Export Promotion Council**

(Setup by Ministry of Commerce & Industry, Govt. of India)

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**UNDER THE COMPANIES ACT, 1956**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
***PHARMACEUTICALS EXPORT PROMOTION COUNCIL***  
**(A Company limited by guarantee and not having a Share Capital)**

**I.** The name of the Company is Pharmaceuticals Export Promotion Council of India (Pharmexcil India)

**II.** The Registered Office of the Company will be situated in the State of Andhra Pradesh.

**III. A** The main Objects to be pursued by the company on its incorporation are:

- (1)** To support, protect, maintain, increase and promote the export of Drugs and Pharmaceuticals inter alia including intermediates, herbal, ayurvedic, unani and homeopathic medicines, biotech and biological products, diagnostics, surgicals, nutraceuticals, pharma industry related services – collaborative research, contract manufacturing, providing base for clinical trials and consultancy.
- (2)** To keep in communication with Chambers of Commerce and other mercantile and public bodies through out the world with a view to taking appropriate and necessary measures for maintaining or increasing the exports of Drugs and Pharmaceuticals;
- (3)** To enunciate just and equitable principles to govern the trade in Drugs and Pharmaceuticals and to set up a code or codes of practices for the general guidance of manufacturers, traders and exporters of these products and further to simplify transactions relating to their exports;
- (4)** To advise or represent to Governments, Local Authorities and Public Bodies
  - (a)** the policies and other measures, including direct and indirect taxation, adopted by them in relation to their effect on industry and /or commerce:
  - (b)** the steps to be taken by them to prevent any contravention of the codes of practices laid down by the Council, by any of the persons concerned, where such contravention would affect exports of Drugs and Pharmaceuticals provided that such advice or representation shall be only in so far as such policies or measures have a bearing directly or otherwise on the exports of Drugs and Pharmaceuticals;

**B.** The object incidental or ancillary to the attainment of the main objects are:

- (1) a)** to undertake market studies in various individual foreign countries on regular as well as ad hoc basis;

- b)** sending out trade missions to foreign countries;
- c)** appointing, representatives, agents or correspondents in Foreign Markets for purpose of continuously and regularly reporting the prices, market preferences, reception accorded to actual deliveries of and other connected matters:
- d)** conducting propaganda so as to bring to the notice of the dealers and the public in foreign countries the advantages of trade and commerce with India in Drugs & Pharmaceuticals;
- e)** collecting and circulating statistics and other information regarding manufacture, trade or ultimate use of Drugs and Pharmaceuticals in various countries;
- f)** propagating information for use of manufacturers, traders and shippers of Drugs and Pharmaceuticals by lecturers, discussions, books, correspondence, exhibitions, films or otherwise;
- g)** laying down or maintaining liaison with any agency which has been setup for laying down standards of quality and packing in respect of Drugs and Pharmaceuticals intended for export;
- h)** setting up an organization or maintaining liaison with an organization which has been setup, for performing such functions as are necessary to attain the standards of quality and packing laid down, including the conducting of inspection of Drugs and Pharmaceuticals intended for export, with this end in view;
- i)** setting up an organization or maintaining liaison with testing Laboratories or concerned Department of the Ministry of Health in various countries of the world;
- j)** setting up an organization or maintaining liaison with an organization which has been setup for conducting research and experiments;
- k)** rationalizing and for increasing, where necessary, production within India and distribution in foreign markets of Drugs and Pharmaceuticals that are exported;
- l)** selecting in foreign countries, firms, persons etc., who might serve as agents of manufacturers and exporters of Drugs and Pharmaceuticals in India;
- m)** deputing the officers of the company to witness the inspection of Drugs and Pharmaceuticals exported to foreign countries, where such inspection is being conducted by the authorities in the importing countries;
- n)** deputing the officers of the Company to witness the survey in foreign

countries to which drugs and pharmaceuticals are exported or witness the survey in India of these products intended for export, when any dispute or difference between the parties to a contract for sale and purchase of such products arise;

- o)** enquiring and investigating into complaints received from foreign and/or Indian exporters in respect of the quality, description or other particulars of Drugs and Pharmaceuticals exported from India or the non-performance or non-observance of the terms and conditions of contract relating to such export and other connected matters and advising the manufacturers or exporters concerned regarding the methods to be adopted to obviate such complaints of a similar nature in future;
  - p)** making such recommendations as may be necessary or expedient to Government and public bodies like Chambers of Commerce where the Company on investigation of a complaint received by it is satisfied about its genuineness and that the same has been caused by the willful or negligent act or acts of the manufacturer or exporter of drugs and pharmaceuticals as the case may be;
  - q)** acting as arbitrators or nominating arbitrators or valuers in the settlement of disputes and differences arising out of transactions, relating to exports of Drugs and Pharmaceuticals between parties who agree to refer the disputes to the company;
  - r)** communicating with Chambers of Commerce and other mercantile and public bodies throughout India, and concert and promote measures for the promotion and advancement of export of Drugs and Pharmaceuticals;
  - s)** undertaking schemes/projects relating to import substitution;
  - t)** investing and dealing with moneys and funds belonging to the Company in schemes/projects which have a bearing on import substitution and other investments and transactions in all work ancillary thereto, and
- (2)** to purchase, hire or otherwise acquire and maintain suitable buildings, premises, apartments, furniture and other fittings in any country for the establishment of showrooms, emporia or other agencies for publicity in regard to Drugs and Pharmaceuticals for the purpose of achieving any of the objects for which the Company is established;
- (3)** to establish and maintain museums, collections, libraries, compilation of literature and to translate, compile, collect, publish, lend, purchase or sell any literature connected with manufacture, trade and commerce relating to Drugs and Pharmaceuticals;

- (4) to prepare, edit, print, publish, issue, acquire and circulate books, papers, periodicals, gazettes, circulars and other literature treating or bearing upon industry, trade or commerce, pertaining to Drugs and Pharmaceuticals;
  - (5) to acquire, purchase or take on lease lands, buildings or other immovable or movable property which the company may from time to time deem it necessary to acquire, purchase, or take on lease;
  - (6) to sell, improve, manage, develop, exchange, loan, sublet, mortgage, dispose of, turn to account with all or any part of the property of the Company;
  - (7) to enter into contracts;
    - (i) to draw, make, accept, endorse, discount and execute negotiable instruments;
    - (ii) to deposit or invest the moneys of the Company in any banks, and/or securities approved in this behalf by the Union Government;
    - (iii) to collect funds or subscriptions from the members as may be specified in the Articles of Association;
  - (8) to subscribe for becoming a member of and operate with any other Association whether incorporated or not, whose objects are, altogether or in part, similar to those contained in this Memorandum and obtain from and communicate to any such Association such information as may be likely to fulfill the objects of this Company; and
  - (9) to do all such other lawful acts as may be conducive for the maintenance and increase of the export trade and commerce in Drugs and Pharmaceuticals or incidental to the attainment of the above objects or any one of them. Provided that the Company shall not support with its funds or endeavor to impose on or procure to be observed by its members or others any regulations or restrictions, which, if an object of the company, would make it a trade union.
- IV.** The objects for which the company is established extend to all the States of the Indian Union.
- V.**
- (1) The income and property of the Company, howsoever derived, shall be applied solely for the promotion of its objects as set forth in this Memorandum;
  - (2) No portion of the income or property aforesaid shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to persons who at any time are or have been members of the Company or to any one or more of them or to any persons claiming through any one or more of them;
  - (3) No remuneration or other benefit in money or money's worth shall be given by

the company to any of its members, except payment of out-of pocket expenses, reasonable and proper interest on money lent, or reasonable and proper rent on premises lent to the Company;

- (4) No member shall be appointed to any office under the company which is remunerated by salary, fees or in any other manner not excepted by Clause(3).
  - (5) Nothing in this Clause shall prevent the payment by the Company in good faith of reasonable remuneration to any of its officers or servants(not being a member),in return for any services actually rendered to the Company;
- VI.** No alteration shall be made to this Memorandum of Association or to the Articles of Association of the company which are for the time being in-force unless the alteration has been previously submitted to and approved by the Regional Director, Department of Company Affairs, Chennai.
  - VII.** The liability of the Members is limited.
  - VIII.** Every Member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound-up during the time that he is a Member, or within one year afterwards, for payment of the debts and liabilities of the company contracted prior to the date on which he ceases to be a member, and of the costs, charges and expenses of winding-up the same, and for adjustment of the rights of the contributories among themselves such amount as may be required not exceeding a sum of Rupees Five Thousand Only(Rs.5,000)
  - IX.** True account shall be kept of all sum of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place and of the property, credits and liabilities of the Company, and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Company for the time being in force, the accounts shall be open to the inspection of the members. Once at least in every year, the accounts of the Company shall be examined and the correctness of the Balance sheet and the Income and Expenditure Account ascertained by one or more properly qualified auditor or auditors.
  - X.** If upon a winding up or dissolution of the Company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other Company having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution or in default there of, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

We the several person whose names, addresses, descriptions and occupations are subscribers hereto are desirous of being formed into a Company, in pursuance of the Memorandum of Association.

Sl.No.	Name, Address Description and Occupation and Signatures of Subscribers	No.of Equity Shares taken by each subscriber	Name, address, Description and occupation and Signature of Witness
1	<b>Mr.N.H.Israni</b> Chairman & Managing Director Blue Cross Laboratories Ltd., Peninsula Chambers, Gr.Floor Ganpatrao Kadan Marg, Lower parel,Mumbai – 400 013		
2.	<b>Mr.D.B.Mody</b> Whole time Director, JB Chemicals & Pharmaceutials Ltd., Neelam Centre, 4 <sup>th</sup> Floor, B-Wing, Hind Cycle Road, Worli, Mumbai – 400 025.		
3.	<b>Mr.Yogin Majmudar,</b> Managing Director, Bakul Aromatics & Chemicals Ltd., Sterling Centre, 4 <sup>th</sup> Floor, A.B.Road, Worli,Mumbai		
4.	<b>Mr.Venkateswarlu Jasti,</b> Managing Director, Suven Life Sciences Ltd.,Serene Chambers, Road No.7(New), Banjara Hills, Hyderabad – 500 034		
5.	<b>Mr.K.Nityananda Reddy</b> Managing Director, Aurobindo Pharmaceuticals Ltd., Flat No.2. HUDA, Maitri ViharComplex, S.R.Nagar, Hyderabad – 500 038.		
6.	<b>Mr.Arun Sawhney</b> Sr.Vice President (Marketing), Dr.Reddy's Laboratories Ltd., 8-2-120/76/1/B, 2 <sup>nd</sup> Floor, Road No.2, Banjara Hills, Hyderabad – 500 034.		
7.	<b>Mr.Ranjit Shahani,</b> Vice Chairman & Managing Director, Novartis India Ltd., Sandoz House, Shivsagar Estate, Dr.Annie Besant Road,Worli, Mumbai – 400 018.		

Dated the            day of            2004

Witness to the above signatures

UNDER THE COMPANIES ACT, 1956

**ARTICLES OF ASSOCIATION  
OF  
*PHARMACEUTICALS EXPORT PROMOTION COUNCIL*  
(A Company limited by guarantee and not having a Share Capital)**

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**1. DEFINITIONS AND INTERPRETATION**

**1.1. Definitions:**

In these articles, unless the context otherwise requires:

- (a) “Act” means the Companies Act, 1956 and includes any statutory modification or re-enactment thereof, for the time being in force.
- (b) “Article” means an article forming part of these articles;
- (c) “Auditors” means persons appointed, as such, for the time being by the Council;
- (d) Chairman means the Chairman of the Council;
- (e) “Committee of Administration” or “Committee” means the Committee of the Administration of the Council, constituted, as such, under these articles;
- (f) “Council” means the Pharmaceuticals Export Promotion Council;
- (g) “Extraordinary general meeting” means a extra-ordinary general meeting of the members of the Council; other than its annual general meeting referred to in article 16.1.
- (h) “General Meeting” means a general meeting of the members of the council;
- (i) “Member” a member of the Council;
- (j) “Office” means the registered office for the time being;
- (k) “Panel” means a panel of the Council, constituted under these articles;
- (l) “Prescribed” means prescribed by the Committee, by virtue of a power conferred by theses articles;
- (m) “Product” means any goods or services in regard to which the Council has been recognized for the time being by the Central Government; under the relevant provisions of the Export-Import policy of the Central Government as in force for the time being;
- (n) “Regional Committee” means a Regional Committee constituted under these articles;

- (o) “Regional Chairman” means a Regional chairman holding Office under these articles;
- (p) “Rules” means the rules of the Council, for the time being in force, made under these articles or under any enactment for the time being in force;
- (q) “Secretary” means the Secretary of the Council and includes any officer of the Council performing secretarial functions;
- (r) “Small Scale Industry” means an industry so specified by the Central Government, in its policy on the subject, as announced from time to time and tiny and cottage industries so specified in such policy;
- (s) “Vice-Chairman” means Vice-Chairman of the Council.

### **1.2. Certificate:**

For the purpose of determining whether an industry is a small-scale industry the SSI Registration Certificate issued by the Directorate of Industries of the State Government shall be conclusive.

### **1.3. Words defined in the Companies Act.**

Words and expressions used and not defined in these articles, but defined in the Act, shall have the meanings respectively assigned to them by the Act.

### **1.4 General Clauses Act to apply**

The General Clauses Act, 1897, applies for the interpretation of these articles, as it applies for the interpretation of an Act of Parliament.

## **2. EXPORT – IMPORT POLICY**

### **2.1. ARTICLES TO BE SUBJECT TO EXPORT IMPORT POLICY**

The provisions of these articles shall be subject to those of the Export-Import Policy, as notified by the Central Government from time to time.

## **3. CATEGORIES OF MEMBERS; AND ELIGIBILITY FOR MEMBERSHIP**

### **3.1 Categories of Members of the Council**

The Council shall have the following categories of members, namely;

- (a) Associate members
- (b) Ordinary Members

### **3.2. Associate Member**

A person shall be eligible for admission to the Council as associate Member, on receiving the Import-Export Code Number from the Director General, Foreign Trade, Government of India, in respect of the product with which the Council is concerned.

### **3.3. Ordinary Membership**

In order to be eligible for an ordinary membership of the council, the person must satisfy the following requirements, either clauses “a &c” or “b &c”

- a) Any person (or the entity represented by him) who has been as an ordinary member of any export promotion council dealing with drugs and pharmaceuticals
- b) Any person (or the entity represented by him) who has been an associate member of any export promotion council dealing with drugs and pharmaceuticals for a period of less than three years immediately preceding formation of pharmaceutical export promotion council, on the completion of remaining period of three years as an associate member of pharmaceuticals export promotion council
- c) He (or the entity represented by him) must have to his or its credit during the three financial years immediately preceding, average exports in respect of the product of not less than the amount mentioned below:
  - i) Small Scale industries: Rs.10 lakhs
  - ii) Others : Rs.25 lakhs

For the above purpose, he (or the entity represented by him) shall submit a self certified declaration indicating the export values. Wrong/incorrect declarations shall be liable for actions as per rules of council/companies Act.

## **4. ELIGIBILITY FOR ELECTIONS**

### **4.1 Right to vote, etc., confined to ordinary members**

Only an ordinary member shall have the right to vote at or to offer self as a candidate at elections to various positions in the Council. A nominated or co-opted member shall have no right to vote.

### **4.2 Eligibility of Ordinary Members to contest in the elections:**

A candidate for election to any position in the Council must satisfy the following conditions, namely:

- a) He, or the entity represented by him, must have, to his or its credit, minimum of 3 years average export values as stated under the provisions of Article 27.3
- b) Where a person is standing for election as chairman or vice chairman, he/she, or the entity represented by him/her, must have, to his/her or its credit, during the last three financial years immediately preceding, an average export value of not less than Rs. 100 cores (one hundred crores). This limit is subject to review by the government from time to time.

Notwithstanding above, a onetime exemption of this provision is granted to the person holding the post of vice chairman as on 7.1.2014, provided he intends to contest for the position of chairman and subject to other provisions of articles of association.

- c) No member can contest in the elections for one year immediately upon completion of 3(three) consecutive terms. This is applicable to the members of committee of administration as on 7.1.2014.

## **5. APPLICATION FOR MEMBERSHIP:**

### **5.1 Form of application**

- (a) Application for membership of the Council as an ordinary or associate member shall be made to the committee in the prescribed form (or form contained in the Schedule)
- (b) Where no such form is prescribed for the time being, the application may be made by an ordinary letter.
- (c) The application shall, in every case, contain the following particulars;
  - (i) facts showing eligibility for membership
  - (ii) whether the applicant is an individual, firm, company, co-operative society or any other type of entity
  - (iii) category of membership applied for.

### **5.2 Accompaniments:**

The application for membership shall be sent to the Secretary, together with:

- (i) A certificate of financial soundness from the applicant's bankers and
- (ii) A cheque for the prescribed entrance fee and annual fee

### **5.3. Decision on the application**

- (a) The Committee shall take a decision on the application for membership within three months and its decision shall be final.
- (b) The decision of the Committee (Whether of acceptance or rejection of the application) shall be communicated by the Secretary to the applicant.

### **5.4 Commencement of membership**

Where the application for membership is accepted by the Committee, the membership of the applicant shall commence from the beginning of financial year during which the application is accepted.

## **6. FEES FOR MEMBERSHIP**

### **6.1 Entrance and annual Fees**

Members (other than nominated and co-opted members), shall pay such entrance fee and annual fee and any other fee as may be prescribed.

## **7. RESIGNATION BY MEMBERS**

- (a) A member of the Council may resign, by giving to the Secretary notice in writing of his intention to do so and shall there upon cease to be a member, either immediately or from such date as may be mentioned in the notice in this regard.
- (b) A member who has resigned shall nevertheless continue to be liable to the Council for all amounts due from him to the Council and for any other liability, which he might have incurred towards the Council.

## **8. DISQUALIFICATION FOR MEMBERSHIP OF COUNCIL**

### **8.1 Disqualification**

A person shall be disqualified for being or for continuing, as a member of the Council if:

- (a) He is found to be of unsound mind by a competent court;
- (b) He applies to be adjudicated as, or is adjudicated as, an insolvent;
- (c) He is convicted by a court of an offence involving moral turpitude and is sentenced on such conviction, to imprisonment for not less than six months;
- (d) He, or any firm in which he is a partner, or any private company of which he is a Director, commits a violation of section 295 or section 299 of the Act;
- (e) He, becomes disqualified by an order of the court under section 203 of the Act;
- (f) He ceases to be a member of the entity which he represents or such entity ceases to be a member of the Council; or
- (g) His name is removed from the register of members under article 8.2

### **8.2 Removal by the Committee**

The Committee may, after giving a member reasonable opportunity of hearing, remove the name of that member from the Register of Members, either for a specified period or indefinitely:

- a) if he has violated any condition for membership or
- b) if he has been in arrears in regard to the payment of membership fee or of any other amounts due from him to Council for more than six months; or
- c) if he has been guilty of disorderly conduct at meetings of the Council or of the Committee; or
- d) if he has otherwise been guilty of conduct unbecoming of a member; or
- e) if he has become disqualified under article 8.1

### **8.3 Conversion into Associate membership**

The Committee may, after giving a member reasonable opportunity of hearing, convert the membership of an ordinary member into an associate membership, if his performance as an exporter of the product has, during the financial years immediately preceding has been below the average mentioned in clause (c) of Article 3.3

## **9. CONDUCT OF ELECTIONS**

### **9.1 Duty of Council**

- a) It shall be the responsibility of the Council to ensure that elections to various posts in the Council are held in time.
- b) Elected members shall automatically retire on completion of their tenure.

### **9.2 Failure to hold elections**

If a Council fails to ensure time elections as provided in article 9.1 the Central Government may, after giving it a reasonable opportunity of being heard, order a fresh election to be held and may make such arrangement as may be necessary for that purpose.

\*9.3 The following matters shall be provided for by rules to be made by the council, namely

- a) Mode of conducting elections - E-voting system to be adopted for conducting Elections to the members of the Committee of Administration and the Vice Chairman.
- b) Eligibility criteria for contest, voting pattern - Members of the Committee of Administration shall be elected by the eligible members of the Council falling under the respective segments as indicated in the Article 27.4.

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\*Amended on 29<sup>th</sup> August, 2017. Earlier Art 9.3 was reading as under:

### **9.3 Mode of conducting elections**

The following matters shall be provided for by rules, to be made by the Council, namely

- (a) The tenure of members elected to various posts in the Council (except as otherwise provided in these articles)
- (b) Mode of conducting elections (except as otherwise provided in these articles)

## **10. REPRESENTATION OF FIRM**

### **10.1 Authorisation:**

- a) Any firm, which is a member of this Council shall, by consent of all partners, authorize any one of its partners to act as its representative at any meeting of the Council or of the Committee.
- b) In the absence of any such authority in the case of any firm, any one partner whose name has been registered in the records of the Council shall be entitled to act as a representative of the firm at any meeting of the Council or of the Committee.
- c) Any Company or Co-operative Society or other Corporation which is a member of this Council shall, by a resolution of its Directors (or any person in the position of Directors) authorize any of its director or any person in the position of Directors to act as its representative at any meeting of the Council or of the Committee.
- d) A sole proprietary firm or Hindu undivided family firm shall be represented by its proprietor or Karta, as the case may be.
- e) A person authorized to represent an entity by or under clause (a), (b), (c) or (d) of the articles shall thereupon be entitled to exercise the same rights and powers on behalf of the member whom he represents, as if he were an individual member of the Council or the same class as the firm, company, society or other corporation, as the case may be.

## **11. PRIVILEGES OF MEMBERS**

### **11.1 Ordinary Members**

Without prejudice to any other rights conferred on ordinary members by the Memorandum of Association of the Council, but subject to the other provisions of these articles, ordinary members shall have the following rights and privileges, namely;



- (a) right to stand as a candidate and to vote at the election of the members of the Committee and right to vote on all matters brought before a meeting of the Council, provided there are no arrears of subscription or other dues or charges payable by them to the Council on 1<sup>st</sup> April in the year of voting;
- (b) right to requisition a meeting as provided in these articles;
- (c) right to receive the annual reports of the Committee, on payment of the prescribed fee;
- (d) right to receive publications of the Council, on the prescribed conditions; and
- (e) right to use all such facilities as may be made available to such members by the Council from time to time, on the prescribed conditions.

### **11.2 Associate Members**

Without prejudice to any other rights conferred on associate members by the Memorandum of Association, of the Council, such members shall have the following rights and privileges namely;

- a) right to receive the Annual Report of the Committee, on payment of the prescribed fee;
- b) right to receive the publications of the Council, on prescribed conditions;
- c) right to use all such facilities as may be made available from time to time by the Committee, on the prescribed conditions.

### **11.3 Nominated and Co-opted Members**

Government nominees, Heads of Pharmaceutical Associations/Organization nominated as Ex-officio (co-opted) members of committee of administration shall have voting rights, except in case of election of chairman and vice chairman of the council

## **12. VOTING RIGHTS**

### **12.1 Persons who can vote**

- (a) An ordinary member (or his authorized representative ) shall alone be entitle to vote at the general meetings, including annual general meetings and extraordinary general meetings, of the Council.
- (b) Every such member shall have only one vote.
- (c) The Chairman shall have, in addition a casting vote.

### **12.2 Chairman's declaration of Result of voting conclusive**

- (a) No objection shall be taken to the validity of any vote cast at a meeting, except at the meeting at which such vote was tendered, an every vote, not

disallowed at such meeting, shall be deemed to be valid for all the purposes of such meeting.

- (b) The Chairman of a meeting shall be the sole judge of the validity of every vote tendered at such meeting.

### **13. SUSPENSION OF PRIVILEGES**

#### **13.1 Non-payment of subscription**

If a member (ordinary or associate) fails to pay his annual subscription by the 30<sup>th</sup> April of the year for which it has become due, then

- a) he shall not be entitled to exercise any right or privilege as such member and
- b) the Committee may suspend his membership, which suspension shall remain operative until he pays the arrears and the Committee accepts in writing such arrears and restores his membership after revoking his suspension.

### **14. CHANCE IN INTERNAL CONSTITUTION TO BE REPORTED**

#### **14.1 Change in Constitution**

Where there is a change in the constitution of entity which is a member of the Council or a change in its authorized business activities, the change should be reported by the entity to the Committee within one month.

### **15. REGISTER OF MEMBERS**

#### **15.1 Register**

The Council shall keep a Register of Members (ordinary and associate) and enter therein the following particulars of its members, namely:

- (a) the name, address and occupation of the member;
- (b) the name of the proposing and the seconding member of such member;
- (c) the class of membership of such member;
- (d) the date on which each member was entered in the register; and
- (e) the date on which he ceased to be a member

### **16. MEETING OF THE COUNCIL**

#### **16.1 Annual General Meeting**

The Council shall hold a general meeting, which shall be styled its annual general meeting in accordance with the provisions of the Act.

## **16.2 Business**

- a) The annual general meeting shall be held at any time during business hours, on a day (not being a public holiday) decided by the Committee.
- b) The notice calling the meeting shall specify it as the annual general meeting.

## **17. PROCEDURE AT MEETINGS OF THE COUNCIL**

### **17.1 Scope of the articles**

Subject to the provisions of the Act and of these articles, the provisions of the following articles shall apply, in regard to meetings of the Council.

### **17.2 Quorum**

- a) No business shall be transacted at any general meeting, unless the requisite quorum is present at the commencement of the business.
- b) The quorum for a general meeting shall be one tenth of the total number of ordinary members of the Council or 30 whichever is less subject to minimum quorum fixed under section 174 of the Act.

### **17.3 Venue**

Every general meeting of the Council shall be held in the city in which the registered office of the Council is situated at such place as may be decided by the Committee.

### **17.4 Adjournment**

- a) If, after the expiration of half an hour from the time appointed for holding a general meeting of the Council, the quorum is not present then
  - i) if the meeting is convened by or upon the requisition of the members, it shall stand dissolved;
  - ii) in any other case, the meeting shall stand adjourned to the same day, after one week ( if that day is not a public holiday) at the same time and place or to such other day and at such other time and such other place (in the same city )as the Committee may determine.
- b) if, even in any such adjourned meeting, quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, then the members present shall constitute the quorum and may transact the business for which the meeting was called.

### **17.5 Chairman**

- a) Chairman of the Council shall be entitled to take the chair at every general meeting of the Council.
- b) If there is no Chairman or if he is not present within 15 minutes from the time appointed for holding such meeting or, if he is unwilling to act, then the Vice Chairman of the Council if present and willing shall preside.
- c) If the Vice-Chairman is not present and willing, the members of the Committee who are present may choose a member of the Committee to preside at the meeting.
- d) If there be no member of Committee willing to take the chair, the Ordinary Members of the council who are present shall elect one of themselves to be the Chairman of the meeting of the Council.

### **17.6 Adjournment: General Provisions**

- a) The Chairman may, with the consent of the meeting, adjourn any meeting from time to time and no business shall be transacted at the adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.
- b) No notice of the adjourned meeting shall be necessary, unless the meeting is adjourned for more than ten days.

### **17.7 Voting on resolution**

- a) At any general meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll by secret ballot is ordered under clause (b) of this article.
- b) A poll by secret ballot (before or on the declaration of the result of voting on any resolution on show of hands.
  - i. may be ordered to be taken by the Chairman of the meeting, of his own motion.
  - ii. shall be ordered by the Chairman, if it is demanded by at least five members having the right to vote on the resolution and present in person or by authorized representative.

### **17.8 Minutes conclusive**

An entry in the Minutes book of the Council in regard to any resolution moved at a Meeting shall be conclusive evidence of the fact that the resolution was carried out:

- (a) unanimously; or
- (b) adopted by majority; or
- (c) lost, as the case may be.

## **18. COMMITTEE OF ADMINISTRATION**

### **18.1 Formation of the Committee**

- (a) The Council shall have a Committee of Administration to perform the functions assigned to it by these articles.
- (b) The composition of the Committee shall be as provided in article 27.

## **19. DISQUALIFICATION FOR MEMBERSHIP OF THE COMMITTEE**

### **19.1 Disqualification for membership of the Committee:**

- a) A person shall be disqualified for being, or for continuing as, a member of the Committee, if he becomes subject to any of the disqualifications enumerated in Article 8.1 in regard to the membership of the Council.
  - aa) If he/she does not attend 3 (three) consecutive meetings of the Committee, with or without seeking leave of absence
- b) Before declaring a member to be disqualified, the Committee shall give him a reasonable opportunity of being heard and shall follow such procedure as may be prescribed.

## **20. VACANCIES:**

### **20.1 Casual Vacancies**

- a) If there arises a casual vacancy in the office of any member of the Committee (other than nominated members), it shall be filled up by the Committee. Provided that when the vacancy is for a period not exceeding two months, the Committee may, if it so chooses, decide not to fill up the vacancy, so long as the number of vacancies so left unfilled does not exceed three.
- (b) A person appointed to fill up a casual vacancy shall hold office only for the remainder of the term of original member.

### **20.2 Member going out of India**

If a member of the Committee (other than a nominated or co-opted member ) desires to go out of India, the following provisions apply.

- a) Such member shall intimate to the Secretary the date of his expected return to India and obtain leave of absence from the Committee for a period not exceeding four months.

- b) If his absence is expected to exceed four months or if he does not obtain leave as above, his seat shall be deemed to fall vacant and the provisions of article 20.1 of these articles shall apply.
- c) If his expected absence does not exceed four months and he has obtained leave as aforesaid, the Committee may appoint such person as it thinks fit to be member of the Committee, for the period of absence of the member going out of India.

## **21. REGIONAL CHAIRMEN**

### **21.1 Regional Chairmen**

The Regional Chairmen shall be elected from amongst the elected members of the Committee.

## **22. REGIONAL COMMITTEES**

### **22.1 Formation of Regional Committee**

- (a) The Committee of Administration shall form a Regional Committee for each Region, except where the products with which the Council is concerned are mainly confined to one Region.
- (b) The geographical extent of such Region shall be determined by the Committee of Administration.
- (c) The Regional Committee shall consist of the following:
  - i. The Regional Chairman, and
  - ii. Such number of other members as may be nominated by the Committee of Administration.

### **22.2 Functions of Regional Committees**

- (1) Each Regional Committee shall function under the general control, superintendence and direction of the Committee.
- (2) Each such Committees shall
  - (a) take steps to stimulate exports of the product from its region and
  - (b) perform such other functions as the Committee may lay down from time to time.

## **23. PANELS**

### **23.1 Panels: Composition and Functions**

The Committee may, from time to time, constitute panels to perform such functions

as the Committee may lay down, and may define their composition.

**24. FUNCTIONS OF THE COMMITTEE OF ADMINISTRATION**

**24.1 The Functions of the Committee**

Functions of the Committee of Administration shall be as follows:

- (a) to administer the general affairs of the Council;
- (b) to determine what work shall be undertaken by the Council and to arrange for the conduct of such work;
- (c) to receive and deal with reports and recommendations of the various Sub-Committees (where such Sub-Committees have been constituted);
- (d) to arrange for the publication of reports and other documents issued by the Council;
- (e) to collaborate in kindred activities with other Export Promotion Councils in India and similar bodies in foreign countries and with international organizations working in the field;
- (f) to control the finances of the Council;
- (g) to control the staff of the Council;
- (h) to take steps to conduct timely elections to various posts contemplated by these rules;
- (i) from time to time to make rules for the proper conduct and management of the affairs of the Council including matters which are to be prescribed under these articles;
- (j) to do all such other lawful acts as would be conducive to the interests of the Council.

**25. SEAL**

- 25.1** (a) The Committee shall have a seal and shall provide for its safe custody;
- (b) The Seal of the Council shall not be affixed to any document, except under the general or specific authority of the Committee and shall also not be affixed to any instrument except in the presence of two members of the Committee or such other persons as the Committee may appoint for the purpose; and these two members or other persons shall sign every legal instrument to which the seal of the Council is so affixed in their presence.

**26. PROCEDURE OF THE COMMITTEE**

**26.1 Conduct of meetings of the Committee**

- a) The Chairman of the Council shall, when present, preside at all meetings of the Committee;

- b) If the Chairman is not present at any meeting of the Committee, the Vice-Chairman shall preside at the meeting;
- c) In the absence of the Chairman and Vice-Chairman, the members of the Committee present at the meeting shall elect one amongst themselves to be the Chairman of that particular meeting;
- d) At least four meetings of the committee shall be held every year;
- e) The Chairman may himself require the Secretary to call a meeting of the Committee at any time;
- f) If a requisition in writing is made to the Chairman by one of the members of the Committee the Chairman shall require the Secretary to call a meeting of the Committee within a reasonable time, which shall not exceed 15 days.
- g) Not less than seven clear days notice of every meeting of the Committee shall be given to each member of the Committee who shall, for the time being, be in India.
- h) At any meeting of the Committee, one third of the total strength of the Committee (as then constituted shall be the quorum).
- i) Each member of the Committee, including the Chairman shall have one vote and in case of tie the Chairman, shall, in addition to his own vote, have a casting vote.
- j) There shall be no proxy at meetings of the Committee.
- k) The Committee shall meet at such times, as they may be considered advisable, and may make such rules, as are considered necessary, as to the summoning and holding of the meetings of the Committee, and for the transaction of business at such meetings.
- l) The record of the proceedings of the Committee shall be open for examination by the members of the Committee.

**27. CHAIRMAN, VICE-CHAIRMAN, ETC., AND THE COMPOSITION OF THE COMMITTEE**

**\*27.1 Chairman's Term of Office**

The Chairman shall hold office for a maximum period of two years and;

- a) shall retire accordingly; and
- b) shall be eligible to become as Chairman only after a gap of four years.



**\*27.2 Vice-Chairman of the Committee**

- (a) There shall be a Vice-Chairman who shall be one of the elected members of the Committee of Administration
  - (b) He shall be elected through e-voting system, by all the eligible members of the Council irrespective of the segments.
  - (c) On completion of his term of two years, Vice-Chairman shall be elevated as the Chairman unless:
    - I. he is unwilling to accept Chairmanship or
    - II. he has incurred any of the disqualifications enumerated in Article 8.1, in regard to the membership of the Council or
    - III. He is removed from the post of Vice-Chairman by a no-confidence motion of not less than two thirds of the elected Members. Such resolution will have to be put to vote on the same pattern of direct elections as followed during the time of election to the post of Vice Chairman.
    - IV. In the event of the post of Vice Chairman falling vacant due to any of the circumstances, the post shall be filled up by following the same procedure as prescribed above.
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*\*Amended on 29<sup>th</sup> August, 2017. Earlier Art.27.1 and 27.2 were reading as under:*

**27.1 Chairman's Term of Office**

*The Chairman shall hold office for a maximum period of two years and;*

- (a) *Shall retire accordingly; and*
- (b) *Shall not be eligible for re-election at the immediate next election.*
- (c) *shall be ex-officio member of the Committee for one year, without any voting rights.*

**27.1 Vice-Chairman of the Committee**

*27.1.1 There shall be one Vice-Chairman who shall be elected by the Committee for a term of two years.*

*27.1.2 On completion of his term of two years, Vice-Chairman shall be endorsed by the Committee to succeed the Chairman unless*

- i) he is unwilling to accept Chairmanship or*
- ii) he has incurred any of the disqualifications enumerated in Article 8.1, regard to the membership of the Council or*
- iii) he is not re-elected to Committee of Administration*

## 27.2 Composition of the Committee

The committee of administration shall have the following members.

- a) A maximum of sixteen(16) elected members
- b) Ten Ex-officio members, including:
  - i) Four(4) officials, not below the rank of joint secretary, nominated by government
  - ii) up to five heads of national pharmaceutical industry associations/organizations and
  - iii) Director General or in his absence executive director. Director General would act as the member secretary of the committee of administration and participate in the meetings in this power as a full time ex officio member, without voting rights. In the absence of director general, executive director will act as the ex officio member secretary of the committee of administration

## 27.3 Reservation

- a) Sixteen seats in the committee of administration shall be filled in following export values criteria as detailed in the table given below and conditions mentioned thereof:

Conditions:

- a) The Value of exports (in brackets) shown above is the minimum of 3years average of export values required for contesting in the election
- b) If no nominations are received for any of the seats, Government of India reserves the right to nominate representatives from that segment of the industry on the basis of DGCIS data of Export values in the same category
- c) No member can contest in the elections for one year immediately upon completion of 3 (three) consecutive terms. This provision becomes applicable to the members of committee of administration as on 7.1.2014
- d) For status holder category, the criteria/considerations given to SSI sector and others under foreign trade policy will also apply in considering minimum export value eligibility.

S.No	Category	Export Values Over Rs.20 crores (Rs.20 Crores)	Export Values Over Rs.100 to Rs. 500 crores (Rs.100 Crores)	Export Values Over Rs.500 to Rs. 1000 crores (Rs.500 Crores)	Export Values Over Rs.1000 crores (Rs.1000 Crores)	No Limit
1	SSI					4 seats
2	Non-ssi		2 seats	1 seat	1 seat	
3	Status holders	1 seat	2 seats	1 seat		
4	Merchant exporters	1 stat				
5	R&D/CR Os/Biotec h					1 seat
6	Herbals/ Ayurveda /Unani					1 seat
7	Others					1 seat
	Total	2	4	2	1	7

## **27.4 Co-Opted Members**

The Committee may co-opt such members for a specific period, as it considers necessary for the efficient conduct of its business in relation to specific types of activities.

## **27.6. Certain further provisions as to nominated members**

- a) The terms of office of members of the Committee who are nominated by the Central Government shall be co-terminus with the term of the Committee. Provided that, if a member is nominated during the term of the Committee, his term of office shall be such as the Central Government may specify.
- b) The Central Government, may at any time, require such a nominee to relinquish his office and may appoint another person in his place.

## **\*27.7 The Term of Elected Members:**

- a) The term of Elected Members shall be two years and they shall retire accordingly.

## **\*27.8 Elections to the Committee and appointment of Returning Officer:**

- a) Elections to the Committee and Vice-Chairman shall be conducted every two years through e-voting
- b) A reputed agency shall be appointed by the Council to conduct the elections in a free and fair manner
- c) A Returning officer shall be appointed to oversee the conduct of elections contd;

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*\*Amended on 29<sup>th</sup> August, 2017. Earlier Art.27.7 and 27.8 were reading as under:*

### **27.7 Retirement of Elected Members**

- a) *At every Annual General Meeting of the Council, one-half of such of the elected committee members for the time being as are liable to retire by rotation or if their number is not two or a multiple of two, the number nearest to one-half shall retire from the office, but shall be eligible for re-election subject to the provisions of section 255 and 256 of the Act. (b) The names of the members, other than the Chairman and Vice-Chairman, who shall retire shall be decided as per the provisions of section 256(2) of the Act.*

### **27.8 Elections to the Committee and Returning Officer**

- (a) *Elections of the committee (in respect of seats of elected members falling vacant) shall be conducted every year, before the expiry of the term of the retiring members.*

- (b) *The Committee shall appoint a returning officer for conducting elections.*

### **27.9 Rules**

- a) Rules made by the Committee shall make provisions regarding the elections to the offices of the Chairman and Vice-Chairman on matters not provided for in these articles.
- b) Committee shall adopt a procedure for conducting g the free and fair elections, under intimation to the Government.

## **28 CHAIRMAN OF THE COMMITTEE**

### **28.1 Committee Chairman**

- (a) The Chairman of the Council, shall ordinarily be the Chairman of the Committee of the Council and shall be responsible for the proper functioning of the Council.

## **29 VICE CHAIRMAN**

### **29.1 Vice-Chairman**

29.1.1 The vice-Chairman, shall in the absence of the Chairman, have the power to perform the duties of the Chairman.

29.1.2 The Vice-Chairman may also perform any other functions that may be entrusted to him by the Chairman.

## **30 REMUNERATION**

### **30.1 No right to remuneration**

Members of the Committee shall not be entitled to any remuneration for attending its meetings or for any other function performed by them as such members.

## **31 POWERS OF THE COMMITTEE**

### **31.1 Powers of management**

31.1.1 The Committee shall be the Managing Body of the Council and, in addition to the powers and authorities conferred by statute or by these articles, may exercise all such powers and do all such acts and things as shall, by statute or by these articles, be directed or authorized to be done by the Council in a general meeting.

31.1.2 Such acts of the Committee as are not regulated by statute or by these articles, shall be subject to such regulations or directions as may, from time to time, be decided upon or given at any annual or extraordinary general meeting of the Council

Provided that no such regulation or direction shall invalidate any prior act of the Committee which would have been valid if the regulation or direction had not been made or given.

## **32 RESOLUTION BY CIRCULATION**

### **32.1 Circulation**

- a) Any business which may be necessary for the Committee to transact may, if the Chairman so directs, be carried out by circulation of papers among all its members; and any resolution so circulated and approved by the majority of such members shall be as effectual and binding, as if the resolution had been passed at meeting of the Committee, provided that at least the number of members who constitute the quorum of the Committee have recorded their views on the resolution.
- b) When any business is so referred by circulation to the members of the Committee, a period of not less than seven clear days shall be allowed for the receipt of replies from such members, such period being reckoned from the date on which the notice of the business is issued.
- c) If a resolution is circulated, the result of the circulation, shall be communicated to all members of the committee present in India and shall be recorded in the minutes of the next meeting of the Committee.

## **\*33 – DIRECTOR GENERAL AND EXECUTIVE DIRECTOR**

- 33.1
- a) There shall be a Director General of the Council, who shall be under the control and direction of the Committee and shall be in overall charge of the administration of the Council and shall supervise the work of all the officers of the Council. The Director General shall be selected in accordance with the criteria and procedure established by the Committee.
  - b) There shall be an Executive Director of the Council who shall report to and work under the directions of the Director General and shall support the Director General in the discharge of his functions".

### **\*33.2 Director General to act as Secretary of Council**

The Director General shall perform the role of the Secretary of the Council and shall undertake the functions set-forth herein. Such functions may be discharged by the Executive Director if the Director General is not available for a period exceeding seven (7) business days.

- a) The Secretary shall have charge of all correspondence and shall keep an account of the funds of the Council and of funds connected with or in any way controlled by the Council.
- b) He shall keep accurate minutes of all the meetings of the council and of the

Committees.

- c) He shall take proper care of all assets belonging to the Council.
  - d) He shall give notice to members of all meetings of the Council or the Committee.
  - e) He shall duly notify members of their appointment shall countersign all cheques signed by the Chairman or any member or members of the Committee duly authorized in this behalf and shall collect all moneys due to the council.
  - f) He shall prepare an Annual Report of the Council. He shall generally perform such functions as are incidental to his office or as may be assigned to him by the Committee or Executive Director from time to time.”
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*\*Amended on 29<sup>th</sup> August, 2017: Earlier Art. 33.1 and 33.2 were reading as under;*

33. Director General, Executive Director, Secretary, Officers and other Employees

**33.1 Director General:**

- a) There shall be a Director General (in addition to the post of Executive Director) of the Council, who shall be under control and direction of the Committee and shall be in overall charge of the administration of the Council; and shall supervise the work of all officers of the Council;
- b) If necessary, the Council may have a Secretary who shall however work under the administrative control of the Director General or Executive Director

**33.2 Secretary if appointed**

- a) *The Secretary shall have charge of all correspondence and shall keep an account of the funds of the Council and of funds connected with, or in any way controlled by, the Council.*
- b) *He shall keep accurate minutes of all the meetings of the Council and of the Committees.*
- c) *He shall take proper care of all assets belonging to the Council*
- d) *He shall give notice to members, of all meetings of the Council or the Committee*
- e) *He shall duly notify members of their appointment, shall countersign all cheques signed by the Chairman or any member or members of the Committee duly authorized in this behalf and shall collect all moneys due to the Council.*
- f) *He shall prepare an Annual Report of the Council.*
- g) *He shall generally perform such functions as are incidental to his office or as may be assigned to him by the Committee or Executive Director from time to time.*

### **33.3 Officers**

The officers of the Council, including the Secretary (if appointed), shall devote themselves entirely to such business and affairs of the Council as may be assigned to them by the competent authority.

### **33.4 Employees (rules regarding)**

The Committee may, in respect of all employees of the Council, make rules to regulate the following matters, namely,

- (a) Conditions of services;
- (b) Appointment, Promotion and Dismissal;

Note: While Committee has the powers to initiate/impose disciplinary action, if any, as per the conduct rules against director general/executive director, in the case of any major disciplinary action, the committee shall seek prior concurrence of the government before taking a final view to impose any major penalty. (Definition of major penalty shall be applied as per government norms till such time the council frames its own rules.)

- C) Grant of pay, leave, allowances, pensions, gratuities and compassionate allowances;

Provided that the grant of leave and allowances to government servants whose services have been lent or transferred to the council shall be decided with the previous approval of the government officer competent to sanction his transfer to the council

- D) Payment of traveling allowances and
- E) The establishment and maintenance of a provident fund and other funds for the welfare of the employees

### **33.5 Internal resources**

At least 50 percent of the internal resources of the Council excepting those derived from Government Grants shall be utilized for development activities like market studies, dissemination of trade information, buyer-seller meets, etc.,

## **34 GENERAL MEETINGS**

### **34.1 General Meetings of the Council**

- a) A general meeting of the Council shall be held within eighteen months of the incorporation of the Council and thereafter once at least in every calendar year on such date, (not being more than fifteen months after the preceding general meeting) and at such places, as the Committee may consider convenient for the dispatch of business.

- b) At general meeting, a report of the activities of the Committee for the year under review and the yearly audited accounts, including a statement of income and expenditure and a Balance Sheet made up to a date not earlier than the date of the meeting by more than six months shall be submitted.
- c) All general meetings other than Annual General Meeting of the Council shall be called “extraordinary general meetings.

### **34.2 Business for the annual general meetings**

The ordinary business to be transacted at an annual general meeting of the Council shall be

- a) to receive and consider the account and the reports of the Committee and the auditors;
- b) to place on record the names of the Committee members;
- c) to appoint and fix the remuneration of the auditors.

### **34.3 Requisition for meeting**

If one-tenth of all the members having voting rights on the date of requisition, by requisition in writing setting forth the reasons therefore and signed by them and addressed to the Committee, request the Committee to call a meeting of the Council, the Committee shall within 21 days of the receipt by it of the requisition cause to be sent out a notice calling a meeting of the council, for such date and time as may be determined by the committee.

### **34.4 No right to remuneration**

Members of the Council shall not be entitled to any remuneration for attending its meeting or for performance any other functions as such members.

## **35 NOTICES OF MEETINGS**

### **35.1 Notice how given**

- a) In regard to every annual general meeting, of the Council not less than fourteen days notice to the members, specifying the place, date and hour of meeting (with a statement of the business to be transacted thereat) shall be given.
- b) A notice may be given to any member either personally or by sending it by post or by fax or by a courier approved by the committee to such member’s registered address or (if a member has no registered address in India) to the address, if any, within India furnished by the member for the giving of notices.



- c) Where a notice is sent by post, the service shall be deemed to have been effected at the expiry of 48 hours after it is posted, as provided in section 53 of the Act.

### **35.2 Address**

If a member has no registered address in India and has not supplied to the Council an address within India for the giving of notice, a notice addressed to such member and advertised in a newspaper circulating in the neighborhood of the registered office of the Council shall be deemed to be duly given to such member, on the day on which the advertisement appears in the newspaper.

### **35.3 Service of Notice**

- a) Any notice required to be given by the Council to the members or any of them, and not expressly provided for by these articles, shall be sufficiently given, if given by advertisement and any notice which is required to be, or which may be given by advertisement shall be advertised once at least in one or more newspaper circulating in the neighborhood of the registered office of the Council
- b) The non-receipt by any member, of any notice of meeting required by these articles to be given to the member, shall not invalidate any proceedings of any meeting or any resolution passed at any meeting

## **36. PROCEEDINGS AT MEETINGS OF THE COUNCIL**

### **36.1 Business and Quorum**

No business shall be transacted at any meeting of the Council, unless the quorum laid down in article 17.2 is present at the commencement of the business; and if no such quorum is present within half an hour of the meeting, then the provisions of article 17.4 shall apply.

### **36.2 Conduct of meeting: who to preside**

The provisions of article 17.5 shall apply regarding presiding at meetings of the Council

### **36.3 Voting**

At any general meeting, a resolution put to the vote of the meeting shall be decided by a show of hands, unless a poll is (before or on the declaration of the result of the show of hands)demanded by the Chairman or such members is provided in section 179 of the Act, and unless a poll is so demanded, a declaration by the Chairman that the resolution has, on a show of hands, been carried unanimously, or by a particular majority, or lost, shall be conclusive; and an entry, to that effect, in the book of the proceedings of the meetings of the Council and signed by the Chairman shall be conclusive evidence of the fact without proof of the number or proportion of the

votes recorded in favor, or against that resolution.

### **36.4 Adjournment**

The chairman of a meeting of the Council may, with the consent of the meeting, adjourn the same, from time to time, and but no business shall be transacted at any such adjourned meeting; other than the business left unfinished at the meeting from which the adjournment took place.

### **36.5 Voting confined to ordinary members**

No member other than an ordinary member of the Council shall vote at its meetings.

## **37. VOTES OF MEMBERS**

### **37.1 Voting**

At any meeting of the Council, every Ordinary member present shall be entitled to one vote and in the event of an equality votes, the Chairman shall have a casting vote, in addition to his own. No member shall nominate any other person to vote on his behalf, except as otherwise provided in these articles.

## **38 MINUTES**

### **38.1 Minutes**

Minutes of the meetings of the Council shall be kept in the manner prescribed in section 193 of the Act.

## **39 BOOKS AND DOCUMENTS**

### **39.1 Books of Accounts**

The committee shall cause to be kept proper books of accounts with respect to:

- a) all sums of money received and spent by the Council and the matters in respect of which the receipt and expenditure took place;
- b) all sales and purchases of goods by the Council; and
- c) the assets and liabilities of the Council;

### **39.2 Books where kept**

The books of accounts referred to in article 39.1 shall be kept at the registered office of the Council or at such other places as the Committee thinks fit, and shall be open for inspection by the members of the Committee during office hours.

### **39.3 Time and place**

The Committee shall, from time to time, by rules determine whether and to what extent and at what times and places and under what conditions, the accounts and books of the Council or any of them shall be open for the inspection of the members (not being members of the Committee) and no member (not being member of the Committee) shall have any right to inspect any account or book or document of the Council, except as provided by law or authorized by the Committee or by a resolution of the Council in a general meetings; Provided that, the accounts and books of the Council shall be open for inspection by an officer duly authorized in this behalf by the Central Government for ascertaining or verifying the income and expenditure of the Council or for such other purposes as may, by agreement between the Council and the Central Government, be specified in this regard.

### **39.4 Balance Sheet and Report**

A printed copy of the audited Income and Expenditure Account and Balance Sheet of the Council, together with the report of the Auditor and of the Committee, shall at least fourteen days before the annual general meeting of the Council, be sent to the Registered address of every member and a copy shall also be kept at the registered Office of the Council for the inspection of members during a period of at least fourteen days before the meeting.

### **39.5 Copies**

After the Balance Sheet and Income and Expenditure Account have been laid before the members in the annual general meetings their copies of the Balance Sheet signed by the Executive Director or Secretary, shall be filed with the competent officer as required by the Companies Act 1956.

## **40 AUDITORS**

40.1 Auditors shall be appointed at the annual general meeting of the Council each year

40.2 Rights and duties of the auditors shall be regulated in accordance with the provisions of the Act;

40.3 Any casual vacancy in the Office of the Auditors may be filled by the Committee

## **41 BUDGET ESTIMATES**

### **41.1 Budget**

41.1.1 The Committee shall each year prepare a Budget for the ensuing year and shall submit to the Council on or before such date as may be determined by the Committee.

- 41.1.1 No expenditure shall be incurred until the Budget is sanctioned by the Committee
- 41.1.2 The Budget shall be in such form as the Committee may direct, from time to time.
- 41.1.3 Supplementary estimates of expenditure shall be submitted for the sanction of the Committee in such form and on such date as may be specified by the Committee.

## **42 EXPENDITURE**

### **42.1 Expenditure**

- 42.1.1 Subject to the provisions of these articles and the rules framed there under, the Committee may incur such expenditure as it may think fit and write off any sums and may delegate to the Chairman or Executive Director or other Officer(s) of the Council, such financial powers as it may consider expedient.
- 42.1.2 The Committee may, subject to control of the Council and the Council may, subject to the provisions of these articles, incur expenditure outside India, subject to the provisions of any law for the time being in force.
- 42.1.3 Subject to the provisions of any law for the time being in force and subject to the provisions of these Articles expenditure outside of India may be incurred by the Council and subject to its control by the Committee.

## **43 CUSTODY AND DISBURSEMENT OF FUNDS**

### **43.1 Custody rules**

- 43.1.1 The Committee shall make rules for the custody and disbursement of funds of the Council;
- 43.1.2 The account of the Council shall be opened in a Scheduled Bank; and all moneys at the disposal of the Council, with the exception of petty cash and imprest, shall be paid into such account.

## **44 INVESTMENT OF FUNDS**

### **44.1 Investment**

The funds of the Council, which are not required for current expenditure may be placed in fixed deposit with any schedule bank or may be invested in any security in which trust property may lawfully, be invested under section 20 of the Indian Trust Act, 1882, subject to such instructions as may be issued from time to time by the Government of India, in the Department of Public Enterprises, with reference to

investments.

## **45 HEAD OFFICE**

### **45.1 Head Office of the Council**

The Head Office of the Council shall be at Hyderabad, Andhra Pradesh

## **46 ACTION PLANS**

### **46.1 Duty of Council**

- (1) The Council shall, from time to time, obtain from its members proposals for export and then prepare an integrated action plan for –
  - (a) the promotion of exports
  - (b) the generation of Production for exports
  - (c) the setting of exports targets generally and also in relation to specific countries and commodities.
- (2) Such plans shall be prepared for every financial year or for such longer or shorter period as may be considered desirable in the circumstances by the Council.
- (3) The Council shall make all possible efforts to secure prompt execution of such plans.

## **47 POWERS OF THE CENTRAL GOVERNMENT**

### **47.1 Power to give directions**

- (1) The Central Government shall have power to give directions to the Council as to the performance of these functions, where the Government considers such directions to be necessary;
  - (a) in the interests of national security; or
  - (b) in the interests of national economy; or
  - (c) Otherwise in the public interest.
- (2) The Central Government shall also have power to call for such reports, returns and other information with respect to the property and affairs of the Council, the conduct of its business and other matters connected with the performance of its functions, as the Central Government may consider necessary.
- (3) The Council shall be bound to comply with all directions issued by the Central Government under sub-article (1) or (2) of this article and all provisions

contained in the Export-Import Policy of the Central Government for the time being in force.

#### **47.2 Foreign Collaboration**

All agreements between the Council and any foreign collaborator shall require prior approval of the Central Government.

#### **48 ALTERATION IN ARTICLES**

No addition to, modification in, or deletion of, any of these articles shall be made without the prior approval of the Regional Director, Department of Company Affairs, Chennai.

#### **49. REPUGNANCY TO COMPANIES ACT**

Where, in relation to a Council to which the Companies Act., 1956 applies, there is a repugnancy between the provisions of these articles and the procedure of that Act, the procedures of the Act to the extent of the repugnancy over rule the provisions of these articles.

#### **50. MODIFICATION DURING THE TRANSITIONAL PERIOD**

In order to effect a smooth transition from the position prevailing before the adoption of the articles to the position resulting from the adoption of these articles, the Committee may propose to the Central Government to make such additions to, or modification in these articles as it may consider appropriate during a period of three years from such adoption.

#### **51 GENERAL POWER TO MODIFY**

The Central Government may at any time direct by an order in writing that the provisions of these articles shall stand modified in such manner as the Central Government may direct, as in relation to Councils generally or be in relation to a group of Councils or a particular Council where such a direction appears to be necessary in public interest.

We the several person whose names, addresses, descriptions and occupations are subscribers hereto are desirous of being formed into a Company, in pursuance of the Memorandum of Association.

Sl.No.	Name, Address Description and Occupation and Signatures of Subscribers	No.of Equity Shares taken by each subscriber	Name, address, Description and occupation and Signature of Witness
1	<b>Mr.N.H.Israni</b> Chairman & Managing Director Blue Cross Laboratories Ltd., Peninsula Chambers, Gr.Floor Ganpatrao Kadan Marg, Lower parel,Mumbai – 400 013		
2.	<b>Mr.D.B.Mody</b> Whole time Director, JB Chemicals & Pharmaceutials Ltd., Neelam Centre, 4 <sup>th</sup> Floor, B-Wing, Hind Cycle Road, Worli, Mumbai – 400 025.		
3.	<b>Mr.Yogin Majmudar,</b> Managing Director, Bakul Aromatics & Chemicals Ltd., Sterling Centre, 4 <sup>th</sup> Floor, A.B.Road, Worli,Mumbai		
4.	<b>Mr.Venkateswarlu Jasti,</b> Managing Director, Suven Life Sciences Ltd.,Serene Chambers, Road No.7(New), Banjara Hills, Hyderabad – 500 034		
5.	<b>Mr.K.Nityananda Reddy</b> Managing Director, Aurobindo Pharmaceuticals Ltd., Flat No.2. HUDA, Maitri ViharComplex, S.R.Nagar, Hyderabad – 500 038.		
6.	<b>Mr.Arun Sawhney</b> Sr.Vice President (Marketing), Dr.Reddy's Laboratories Ltd., 8-2-120/76/1/B, 2 <sup>nd</sup> Floor, Road No.2, Banjara Hills, Hyderabad – 500 034.		
7.	<b>Mr.Ranjit Shahani,</b> Vice Chairman & Managing Director, Novartis India Ltd., Sandoz House, Shivsagar Estate, Dr.Annie Besant Road,Worli, Mumbai – 400 018.		

Dated the            day of            2004

Witness to the above signatures