

**ARTICLES OF ASSOCIATION
OF
HANDLOOM EXPORT PROMOTION
COUNCIL**

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ARTICLES OF ASSOCIATION
OF
HANDLOOM EXPORT PROMOTION COUNCIL

Article 1: DEFINITIONS AND INTERPRETATION

1.1.Definitions:

In these Articles the following words and expressions shall have the following meaning unless there be something in the subject or context inconsistent therewith or repugnant thereto: -

- (i) **“Act or the said Act”** means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force;
- (ii) **“Auditors”** means persons appointed, as such, for the time being, by the Council
- (iii) **“Associate Member”**, means any means any person holding a valid Importer - Exporter Code (IEC) from the Directorate General of Foreign Trade (DGFT), Government of India, in respect of the product with which the Council is concerned.
- (iv) **“Council”** means The Handloom Export Promotion Council;
- (v) **“Clause”** means an article forming part of these articles.
- (vi) **“Chairperson”** means the Chairperson of the Council.
- (vii) **“Committee of Administration”** or **“Committee”** means the Committee of Administration of the Council, constituted, as such, under these articles;
- (viii) **“Executive Director”** means the Executive Director of the Council for the time being and includes any person acting as such or appointed to perform the duties of an Executive Director of the Council temporarily.
- (ix) **“Extraordinary General Meeting”** means an extra-ordinary general meeting of the members of the Council other than its Annual General Meeting (AGM) general meeting of the members of the Council;
- (x) **“Exporter”** means any individual, persons, firm, Company, Co-operative Society, a Society registered under the Societies Act 1860, carrying on business of or engaged in the export of hand-woven cotton, wool, silk rayon etc and / or synthetic mixed textile goods or hosiery and / or garments and / or any other articles made from hand woven / cotton / wool / silk / rayon etc and or synthetic mixed textile goods.
- (xi) **“Financial Year”** means the period in respect of which the receipts and expenditure account of the Council laid before the General meeting is made whether that period is a year or not.
- (xii) **“Government”** means the Union Government or the State Government as the case may be.
- (xiii) **“General Mceting”** means a general meeting of the members of the Council;
- (xiv) **“Handloom Export Promotion Council”** means an organization of exporters, set up with the objective to promote and develop Indian export of the products as given in Appendix 2T of ANF issued by the government of India.;

- (xv) **“Handloom Manufacturer”** means any individual, persons, firm, Company, Co- operative Society, a Society registered under the Societies Act 1860, carrying on business of or engaged in the weaving and manufacturing of cotton, wool, silk, rayon etc. and synthetic mixed textile goods on handlooms.
- (xvi) **“Member”** means Member of the Council;
- (xvii) **“MSME”** means micro, small and medium enterprise as defined in the Micro, small and medium Enterprises Development Act, 2006 including its subsequent amendment, modification, re-enactment, or successor;
- (xviii) **“Month”** means a calendar month according to the English Calendar.
- (xix) **“Office”** means the registered office for the time being of the Council.
- (xx) **“Ordinary Member”** means a member who has satisfied the eligibility criteria so specified in Article 5.1 of these articles who is entitled to vote on all resolutions placed before in the meeting of the Council and to stand for election to various positions in the Council.
- (xxi) **“Panel”** means a panel of the Committee, constituted under these articles
- (xxii) **“Prescribed”** means prescribed by the Committee, by virtue of a power conferred by these articles;
- (xxiii) **“Product”** means any goods or services in regard to which the Council has been recognised 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.
- (xxiv) **“Person”** includes firm, Society and Corporations.
- (xxv) **“Processor”** means any individual, persons, firm, Company, Co-operative Society, a Society registered under the Societies Act, 1860, carrying on business of or engaged in bleaching, dyeing, printing and/or finishing cotton, wool, silk, rayon etc., and/or synthetic mixed textile goods on handlooms who or which does not carry on business of and it not engaged in weaving and / or warp knitting and /or Manufacturing of cotton, wool, silk, rayon, synthetic etc and / or mixed textile goods on handlooms.
- (xxvi) **“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;
- (xxvii) **“Secretary”** means the Secretary of the Council and includes any officer of the Council performing secretarial functions;
- (xxviii) **“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. For the purposes of determining whether an industry is a Micro Small Medium scale industry, the MSME certificate issued by the Ministry of Micro Small and Medium Enterprises shall be conclusive. For startups, the certificate issued by Department for Promotion of Industry and Internal Trade (DPIIT) shall be conclusive.
- (xxix) **“Startup”** means an entity as defined under G.S.R 127(E) issued by the Ministry of commerce and Industry (Department of Promotion of Industry and Internal Trade) or its subsequent amendment, modification, re-enactment or successor(s) policies;
- (xxx) **“The Seal”** means the common seal of the Council.
- (xxxi) **“These Presents or Regulations”** means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where the context so requires.

(xxxii) “**Vice-Chairman**” means Vice-Chairman of the Council.

(xxxiii) “**Writing**” shall include printing, lithography and any other mode or modes of representing or reproducing words in visible form.

(Article 1.1 amended vide Special Resolution passed at AGM held on 28/09/2024)

1.2.Words defined in the Companies Act.

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

1.3.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.

The regulations contained in Table ‘H’ in the first schedule to the Companies Act, 2013 shall apply to this Council.

Article 2: FOREIGN TRADE POLICY

Articles to be subject to Foreign Trade Policy. The provisions of these articles shall be subject to those of the Foreign Trade Policy under ITC (HS) Classification/Central Product Classification (CPC) as notified by the Central Government from time to time.

(Article 2 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 3: MEMBERS OF THE COUNCIL:

There shall be two classes of persons associated with the Council.

- a) Associate Members
- b) Ordinary Members

Article 4: ASSOCIATE MEMBER:

Article 4.1: Eligibility Criteria for Associate Member

- a) Any person who holds a valid Import Export Code (IEC) number presently in force from the Office of the Director General of Foreign Trade (DGFT) Govt. of India or his successor in Office shall be eligible to become an associate member.
- (b) Associate Member shall become members of the Council within the meaning of the Companies Act 2013 and their names shall appear in the Register of Members maintained under Section 88 of the Companies Act entitling them to voting rights subject to the satisfaction of the following condition:
 - (i) has been a member for a period of 3 Continuous years
 - (ii) have exports of Rs. 2.5 Lakhs to his/ her credit during three preceding years
- c) Associate Member shall have only such rights and privileges given below and none other namely:

- (i) The right to receive the annual reports and accounts of the Council on payment of prescribed fees.
- (ii) The Right to receive the publications of the Council on conditions prescribed by the respective council
- (iii) right to use all such facilities as may be made available from time to time by the Committee on the conditions prescribed by the respective Councils;
- (iv) Right to vote at the election of the members of the Committee and also on all matters brought before General meeting of the Council, provided there are no arrears of subscription or other dues or charges payable by them to the Council on April 01st of the same calendar year in the year of voting and such person has completed 3 continuous years as a member and have average exports of Rs. 2.5 Lakhs in his/her credit during the preceding three years.

(Article 4.1 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 5: ORDINARY MEMBER

Article 5.1 Eligibility Criteria for Ordinary Member.

A person in order to be eligible for an ordinary membership of the Council must satisfy the following requirements namely: -

- (i) He must have been an associate member of the council for at least two years and
- (ii) He/ She or the entity represented by him/ her must have to his/ her or its credit during the two financial years immediately preceding average exports in respect of the product of not less than the amount mentioned below:

i. Applicants in the Micro Small Medium Industries sector:

In case of Micro enterprises – Rs. 25 Lakhs

In case of Small Enterprises – Rs 50 Lakhs

In case of Medium Enterprises – Rs 1 Crore

ii. In case of other Applicants – above Rs 1 Crore

The aforesaid export criteria shall stand automatically enhanced by 10% after each 5 years having regard to the development and growth of the handloom export sector.

Article 5.2 Conversion of Ordinary membership into an Associate Membership:

In case the average exports of the product by an ordinary member fall below the pecuniary limits set out above, the committee may upon giving a reasonable opportunity of being heard convert the Ordinary Membership into Associate Membership, unless specifically exempted.

Upon the happening of the aforesaid event set out above, the Secretary to the Council shall issue a show cause notice to the Member concerned calling upon him to show cause why his membership should not be converted to an Associate membership. The show cause notice shall give the member not less than 10 days' time to reply. The show cause notice and the reply shall thereafter be placed before

the Committee which shall give its decision by a speaking order. The member is not entitled to any personal hearing. The order of the Committee shall be final and conclusive. The order of conversion if any shall be communicated to the member/representative.

The conversion into Associate Member shall take effect from the date of the order of the Committee.

Article 5.3 Privileges of Ordinary Member

Ordinary members shall in addition to the rights so provided in the Memorandum of Association of the council, but subject to other provisions of the articles 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 the right to vote on all matters brought before a meeting of the Council, provided any dues are paid by them on time and there are no arrears of subscription or other dues or charges payable by them to the Council on April 01st of the same calendar year in the year of voting;
- b) Right to requisition a meeting as provided for 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 by the respective Councils; 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 by the respective councils.

(Article 5.3 amended vide Special Resolution passed at AGM held on 28/09/2024)

ARTICLE 6: APPLICATION TO MEMBERSHIP OF THE COUNCIL

- a) Any person eligible to be admitted as a member and desirous of becoming a member shall send an application to the Council on the common digital platform of DGFT. The application shall be in the form prescribed and shall be accompanied with the below mentioned documents;
 - (i) A Copy of the Active IEC number by the applicant;
 - (ii) A certificate of financial soundness from the applicant's bankers
 - (iii) Proof of payment of the prescribed fee along with any other payments to the Council, shall be through online mode only, as per Income-tax Rules 1962.
 - (iv) Name and contact details of person representing the organisation.
- b) The Committee or any authority designated by the Committee shall ordinarily take a decision on the application within 45 days from the date of receipt of a properly completed application. The Committee shall communicate either the acceptance or the rejection of the application along with the reasons for the same. The decision of the Committee shall be communicated to the applicant by the Secretary. In case, a decision is taken by a designated authority, the same shall be ratified by the Committee in its first subsequent meeting.

- c) An applicant, on admission as a member shall be deemed to have agreed to abide by and be subject to these Regulations and all the bye-laws and rules of the Council as framed and amended from time to time.
- d) Upon acceptance of the application, the applicant is said to have become member of the council from the beginning of the financial year during which the application is accepted.

(Article 6 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 7: FEES FOR MEMBERSHIP:

- a) All members other than nominated, co-opted and institutional members shall pay such admission fee and annual subscription as may be determined by the Committee from time to time.
- b) The council may grant concession in entrance / annual fee for women entrepreneurs, start-ups, young entrepreneurs (less than 40 years of age as on 31st March of the calendar year of election), or North Eastern/Hill Regions.

The Committee shall have the authority by a Resolution passed with three-fourths majority at a special meeting called for the purpose to enhance the subscription.

(Article 7 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 8: REGISTER OF MEMBERS:

- a) A list or register of members (Ordinary, Associate, Co-opted, Nominated and Institutional) shall be kept in which shall be set-forth
 - (i) the names, postal addresses, email address, occupation of the member.
 - (ii) registered office address, contact details, IEC/PAN/GST/TIN/CIN/DIN of the member applying, as applicable
 - (iii) the class of membership of such member, if any;
 - (iv) the date at which each person entered in the register as member and
 - (v) the date at which any persons ceased to be a member
- b) Every member shall notify the Council in writing of any change affecting any of the entries in the register including but not limited to a change in the constitution of the entity which is a member of the Council or a change in its authorised business activities within a period of three months.

(Article 8 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 9: REPRESENTATION OF FIRMS

- a) Subject to Section 113 of the Act, a member of the Council, being a firm, Company, Corporation or Society, shall be entitled to appoint a representative in the manner laid down below, with power to remove any representative so appointed and on a vacancy

being caused from any cause, whether by resignation, death or removal or otherwise, to appoint another person as its representative.

- b) The representative of a firm shall be any one of its partners and he shall be authorised by the firm with the consent of all the partners.
- c) The representative of a Company, Corporation or Co-operative Society or a Society registered under the Co-operative Society Act 1961 shall be any one of the Directors, or any other official of the Company, Corporation or Co-operative Society or society in the position of the director of such entity and such representative shall be duly authorised to act as representative by a resolution of the Board of Directors of such Company, Corporation, Cooperative Society, Society.
- d) The appointment of representatives so listed out in clause (a) and (b) shall be effective only on expiration of seven days from the date on which it is lodged with the council.
- e) In the case of Proprietary concern or Hindu Undivided Family firm, the representative shall be Proprietor only or Karta as the case may be.
- f) the person so authorised 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, Corporation of the same class as the firm, Company or Corporation

Article 10: DISQUALIFICATIONS FOR MEMBERSHIP OF COUNCIL, REMOVAL OF MEMBERS AND RESIGNATION BY MEMBERS.

Article 10.1 Disqualification:

- (1) A person shall cease to be a member on the happening of any of the following events:
 - a) if for any reason he ceases to hold an Importer-Exporter Code (IEC) number
 - b) If he has failed to pay any amounts whatsoever due to the Central or State Government.
 - c) On his conviction by a court of any offence involving misconduct and / or moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months
 - d) In the case of an individual, on his death or on his adjudication as insolvent.
 - e) In the case of a partnership firm, on its dissolution or adjudication as insolvent.
 - f) In the case of an individual, if he is found to be of unsound mind by a court of competent jurisdiction.
 - g) In the case of a society, company or other corporation, on an effective resolution passed for its winding up or on an order made by the court or competent authority for its winding up.
 - h) if he or any firm in which he is a partner or a private company in which he is a director, accepts or holds without the sanction of the Council, any office of profit under the Council other than that of a Legal Advisor or banker.
 - i) On his failure to pay the annual subscription or any other amount due to the Council in spite of final notice being given under orders of the Committee.
 - j) Failure to file declarations under or filing of false declarations.

- k) on the general meeting of the Council finding by a majority of two-thirds of the members present and voting thereat that the Member (i) is acting in derogation of the interests of the Council or its member or national interests or (ii) has failed to comply with the provisions of these Regulations or the bye laws or rules framed there under or (iii) has failed to comply with any decision of the arbitrator. Provided that at least two months' notice before the date of the general meeting shall have been given to the Member concerned.
- l) On his resignation being accepted by the Committee.
- m) He/she or any firm in which he/ she is a partner or any private company of which he/ she is a Director, commits a violation of relevant sections of the Act;
- n) Convicted of the offence dealing with related party transactions under relevant sections of the Act; at any time during the last preceding five years.
- o) His/her name is removed from the Register of Members under Article 10.2
- p) Cease to be a member of the entity which he represents or such entity ceases to be a member of the council
- q) Becomes disqualified by an order of the court or tribunal under relevant sections of the Act.

Explanation

- (i) A firm shall not cease to be a member merely by reason of any change in its constitution unless it is there by dissolved.
 - (ii) If any individual representing a non-individual member suffers any disqualification mentioned above such individual shall cease to represent the member and the member shall nominate some other individual to represent it.
 - (iii) When any appeal is provided under the law and has been preferred by the person concerned in relation to matters set out in above sub-clauses [other than death under sub-clause (d)] the disqualification shall not take effect until the appeal is disposed of.
- (2) A Person shall be disqualified for re membership
 - a) if he has been convicted of an offence and has served an imprisonment period of 7 years or more.
 - b) a period of five years has not elapsed from the date of expiry of sentence.
 - (3) Upon the happening of any of the events set out in Article 10.1 {other than death under sub-clause (d)} the Secretary to the Council shall issue a show cause notice to Member/Representative concerned calling upon him to show cause why his membership or his representation of the membership, as the case may be should not be terminated. The show cause notice shall give the member/representative not less than 10 days' time to reply. The show cause notice and the reply shall thereafter be placed before the Committee which shall give its decision by a speaking order. The member/representative is not entitled to any personal hearing. The order of the Committee shall be final and conclusive. The order of termination if any shall be communicated to the member/representative.
 - (4) The termination of the member /representative of the member if ordered by the Committee shall take effect from the date of the order of the Committee. Termination due to death shall take effect on the date of the death.

Article 10.2 Removal of Members:

The committee or any authority designated by it shall remove the names of members of the council upon giving a reasonable opportunity of being heard if the member has;

- a) Has violated any conditions specified in his membership or
- b) Has been in arrears of any amount due from him to the council including any membership fee for a period of more than 6 Months or
- c) Has been found guilty of disorderly conduct at the meetings of the council or the committee or
- d) Has been found guilty of conduct unbecoming of a member or
- e) Has been disqualified under Article 10.1

Article 10.3: Resignation by Members:

- a) A member of the Council may resign by giving to the DG/ED/ Secretary notice in writing of his/ her intention to do so and shall thereupon cease to be a member either immediately or from such date as may be mentioned in the notice in this regard.
- b) A member along with their estate who has resigned shall nevertheless continue to be liable to the Council for all amounts due from him/ her to the Council and for any other liability, which he / she might have incurred towards the Council together with interest thereon at such rate not exceeding 15% p.a. as may be determined by the Committee.
- c) Entrance fee / Annual fee once paid shall not be refunded on resignation.

Article 10.4: Filing of Declarations

Every ordinary member and Associate Member of the council and representative of a member shall on or before 31st July of every year file with the Council a declaration in the prescribed form along with the prescribed enclosures stating that such ordinary member/associate member or representatives as the case may be continues to possess all the qualifications required for associate/member/representative as the case may be and has not suffered any disqualification

Article 11: COMMITTEE OF ADMINISTRATION:

Article 11.1: Formation of the Committee and its functions:

The Council shall constitute a committee called Committee of Administration to perform the below mentioned functions;

- 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 various Sub Committee(s) (where such Committee(s) has/ have been constituted);
- d) To arrange for the publication of reports and other documents issued by the Council;
- e) To collaborate in related activities with other Export Promotion Councils in India and similar bodies in foreign countries and with international organization 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) To make rules from time to time 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.

Article 11.2: Composition of the Committee:

- a) The Committee shall consist of not more than 26 members. Out of which 5 seats shall be reserved for categories of Women entrepreneurs as stipulated under Article 11.7 (c). The ED shall be appointed by the elected members of the council.
- b) 26 members shall be elected to the committee by the Council by giving product wise representation, the categorization of product groups and the number of members to be elected to each of the product groups be as follows.

1	Handloom fabrics / Lungies / RMHK	2
2	Handloom made ups	7
3	Home Textiles made up of Other than Handloom	4
4	Handloom Floor coverings	6
5	Others including Handloom clothing accessories / Handloom Weavers / Artisans	2
6	Reserved Seats as per Article 11.7 sub clause (c)	5
Total		26

The selection of members to the committee slots shall be subject to the following reservations

- (i) At least one third of the seats for the elected members of the Committee shall be reserved for representatives of MSMEs.
- (ii) In addition, at least one third of the seats for elected members of the Committee shall be reserved for exporters who fall within the category of export houses, trading houses, star-trading houses and entities granted similar status for the purpose of the Foreign Trade Policy that is in force at the time.

- (iii) At least three seats (for COA with a size up to 20 members) or five seats (for COA with a size of beyond 20 members), shall be reserved for categories of women entrepreneurs (minimum one), startups, young entrepreneurs (less than 40 years of age as on 31st March of the year of election); or North Eastern/Hill Regions to ensure their suitable representation in the Committee.
 - (iv) For the purposes of reservation as stated in paragraph (c), at least one seat shall be reserved for a woman entrepreneur.
 - (v) if the categories mentioned in (a), (b) and (c) are represented/elected through either of the above or overlapping categories, this will be sufficient for meeting the requirements mentioned under these provisions.
 - (vi) Where any seat reserved under clause (c) of this Article cannot be filled up by candidates of that reserved category through election process, the Department of Commerce, in consultation with the respective Councils, shall nominate suitable representatives of the respective categories.
 - (vii) The Council shall send a report to the Department of Commerce within 45 days after conclusion of the election process.
- c) More than one member from any firm/entity shall not be eligible to be an elected member in the same COA in any capacity.
 - d) 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.

(Article 11.2 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.3: Chairperson and their terms of office

- a) The Chairperson shall be elected by the Council or elevated from the position of vice chairman on being endorsed by the committee.
- b) The Chairman shall hold office for a period of 2 years
- c) Any member having held the post of Chairman shall be eligible for re-election as Vice Chairman in the same council only after a gap of 4 years.
- d) Upon a vacancy occurring at any time in the office of the Chairman, the Committee may elect one of their members to hold office as Chairman for the remaining portion of the term.
- e) He shall not be eligible for re-election at the immediate next election
- f) The Chairperson may be removed by a No Confidence vote of not less than two third of the members of the committee and the same shall be put to vote on the same pattern as specified in Article 11.6.1.
- g) The Chairman shall cease to hold office forthwith on their ceasing to be a member or a Committee member for any reason.
- h) The Chairperson shall be Committee Member.

(Article 11.3 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.4: Vice Chairperson and their terms of office

- a) The Vice-Chairperson of the Committee shall be elected by the Council and shall hold office for a term of two years
- b) The Vice –Chairperson on completion of the term of two years, the Vice-Chairperson shall be endorsed by the Committee to succeed the Chairperson on completion of the Chairperson’s term, unless the Vice-Chairperson is unwilling to accept Chairpersonship or the Vice-Chairperson has incurred any of the disqualifications enumerated in Article 10.1 regarding membership of the Council;
- c) In the event of the post of Vice-Chairperson falling vacant due to any of the circumstances, the post shall be filled up as per the procedure laid down;
- d) The Vice- Chairperson Shall be eligible for re-election as Vice-Chairperson in the same Council, only after the gap of four years from the date from which the Vice-Chairperson has last held office as a Chairperson or Vice-Chairperson, whichever is later;
- e) The vice-Chairperson can be removed by a No Confidence Vote. Such resolution shall be passed by not less than two third of the Members of the Committee. The resolution regarding No Confidence, shall be put to vote on the same pattern of direct elections as enumerated in Article 11.6.1.
- f) The Vice Chairperson shall be a Committee Member.

For the purpose of Article 11.4(b) above, the Council may also consider direct elections for the post of Chairperson by adopting a resolution with 2/3 majority of the Committee of Administration.

(Article 11.4 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.5: Eligibility for elections:

Only an ordinary member who satisfies, the below mentioned eligibility conditions is eligible to offer himself as a candidate at elections to various positions at the Council. The conditions are as follows;

- a) In case of an election to any position other than Chairperson and Vice Chairperson:
He or the entity represented by him must have to its credit during the two financial years immediately preceding the election the average exports of the products of not less than the amount mentioned below
 - i. In case of Micro Enterprises– Rs 50 Lakhs
 - ii. In case of Small Enterprises – Rs 1 Crore
 - iii. In case of Medium Enterprises – Rs 2.5 Crores
 - iv. In case of others – Above Rs 2.5 Crores
- b) Where any person is contesting election for the position of Regional Chairperson, he or the entity so represented by him/ her must have minimum average exports of the product to the tune of Rs. 2.5 crores to his/ her or its credit during the two financial years immediately preceding.
- c) Where a COA member is contesting for election as chairperson or Vice- Chairperson, he or the entity so represented by him/ her must have minimum average exports of the product to the tune of Rs. 2.5 crores to his/ her or its credit during the two financial years immediately preceding.

- d) A Certificate issued by a Chartered Accountant shall be required for the purpose of above clause (b) (c) and (d).

(Article 11.5 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.6: Conduct of Elections:

Article 11.6.1: Method of conduct of Elections:

Subject to the provisions of relevant Act/ Rules, Foreign Trade Policy and guidelines issued by Government from time to time, the elections for various positions of the council shall be conducted in compliance with the below mentioned criteria:

Elections for various positions of the Committee and to the position of Chairperson and Vice President shall be conducted through E-Voting, as provided in relevant Act/ Rules and Foreign Trade Policy.

Observer(s) for the election(s) for the post of Committee of Administration and for Vice-Chairperson/Chairperson will be deputed by the Government from the Department of Commerce, DGFT or any other Ministry/ Department/Organisation as may be decided by the Government

The COA shall also appoint one or more scrutiniser, who may be Chartered Accountant in Practice, Cost Accountant in Practice, or Company Secretary in Practice or an Advocate or any person who is not in employment of the Council and is a person of repute who, in the opinion of the COA members can scrutinise the voting and remote e-voting process in a fair and transparent manner.

A reputed agency shall be appointed by the council to conduct the election in a fair manner.

(Article 11.6.1 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.6.2: Duty of the Council:

It shall be the responsibility of the council to ensure the timely conduct of free and fair elections in a manner prescribed under this article. In case of any failure to ensure the same, the Central Government may after giving a reasonable opportunity shall direct the committee to hold fresh elections in a manner specified by it. Elected members shall automatically retire on completion of their tenure.

(Article 11.6.2 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.7: Reservation:

- a) At least one third of the seats for the elected members shall be reserved for representatives of MSME's.
- b) In addition, at least one third of the seats for elected members of the Committee shall be reserved for exporters who fall within the category of export houses, trading houses, star-trading houses and entities granted similar status for the purpose of the Foreign Trade Policy that is in force at the time.

- c) At least three seats (for COA with a size up to 20 members) or five seats (for COA with a size of beyond 20 members), shall be reserved for categories of women entrepreneurs (minimum one), startups, young entrepreneurs (less than 40 years of age as on 31st March of the year of election); or North Eastern/Hill Regions to ensure their suitable representation in the Committee.
- d) For the purposes of reservation as stated in paragraph (c), at least one seat shall be reserved for a woman entrepreneur.
- e) If the categories mentioned in (a), (b) and (c) are represented/elected through either of the above or overlapping categories, this will be sufficient for meeting the requirements mentioned under these provisions.
- f) Where any seat reserved under clause (c) of this Article cannot be filled up by candidates of that reserved category through election process, the Department of Commerce, in consultation with the respective Councils, shall nominate suitable representatives of the respective categories.
- g) The Council shall send a report to the Department of Commerce within 45 days after conclusion of election process.

(Article 11.7 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.8: Co- opted Members:

The Committee may co-opt such members, as it considers necessary from central Government/State Government/Banking Institutions/Star House etc. for the efficient conduct of its business in relation to specific types of activities.

Article 11.8.1: Other Provisions for Nominated/Co- opted Members:

- a. The term 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, its 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 its office and may appoint another person in its place.

(Article 11.8 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.9: Retirement of Elected Members:

- a) One third of the elected members shall retire annually, but shall be eligible for re-election, as per laid down procedure.
- b) For the purpose of para (a), the names of the members who shall retire, shall be determined by lot/in accordance with the seniority (long serving members of COA will retire first).
- c) Election process of the retiring members may be started three months before the AGM of that year.
- d) *There shall be a “cooling off” period of two years after two consecutive terms of three years each for the elected member of CoA.
- e) If a Member gets elected to Vice-Chairperson in their second term of COA and eligible to succeed the post of Chairperson on completion of their Term, they shall be deemed member of the COA during the Member’s period as Chairperson of the Council.

**The provision under 11.9(d) shall be effective from 01.04.2025 to give sufficient time to the Councils for implementing the revised guidelines*

(Article 11.9 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.10: Vacation of the office of Committee Members:

- (1) The office of a Committee member shall become vacant if
 - a) he resigns his office by a notice in writing
 - b) he is found to be of unsound mind by a Court of competent jurisdiction
 - c) he applies to be adjudicated as insolvent
 - d) he is adjudged an insolvent
 - e) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months
 - f) he absents himself from **all the meetings of the Committee held during a period of twelve months** with or without seeking leave of absence of the Board Committee.
 - g) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company of which he is a committee member, accepts a loan, or any guarantee or security for a loan, from the Council in contravention of **Section 185**;
 - h) he acts in contravention of section **184 of the Act** to the extent applicable to the Council
 - i) he becomes disqualified by an order of Court as per the Act;
 - j) he is removed in pursuance of **section 169 of the Act**
 - k) If he ceases to be member of the Council for any reason
2. Notwithstanding anything in clauses (d), (e) & (i) of sub-clause (1), the disqualification referred to in those clauses shall not take effect-
 - (a) for thirty days from the date of the adjudication, sentence or order: -
 - (b) where any appeal or petition is preferred within the thirty days aforesaid, against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
 - (c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.
3. If the office of any Committee member elected by the Council in general meeting is vacated before his term of office will expire in the normal cause, the resulting casual vacancy may be filled up by the Committee at a meeting of the Committee. The Committee in filling up the vacancy shall appoint a person who is eligible to be elected to the Committee in respect of the product group

represented by the Committee member in whose place he is appointed. Any person so appointed shall hold office only up to the date up to which the Committee member in whose place he is appointed would have vacated as aforesaid.

Article 11.11: Additional Committee members:

- a) Notwithstanding the provisions of Article 11.5 of these Regulations, the Committee shall have the power at any time and from time to time to appoint one or more persons who are otherwise eligible to be elected to the Committee as additional Committee Members in vacancies not filled up by election provided the number of the Committee members and additional Committee Members together shall not at a time exceed the maximum strength fixed for the Committee by these Regulations. The Committee while appointing such additional Committee members shall have regard to the region- wise representation of members in the Committee.
- b) Such person shall hold office only up to the date of the next Annual General Meeting of the Council but shall be eligible for appointment as a Committee Member at that meeting subject to the provisions of the Act.

(Article 11.11 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 11.12: Casual Vacancies:

- a) If there arises a casual vacancy in the office of any member of the Committee (other than members who are nominated or co-opted) it shall be filled up by the Committee. Provided that when the vacancy is for a period not exceeding two months, the Committee may 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 the original member.

Article 12: GENERAL MEETING

Article 12.1: Annual General Meeting:

- (a) The Council shall, in addition to any other meeting, hold a general meeting (herein called an Annual General Meeting) at the intervals and in accordance with the provision herein specified. The Annual General Meeting of the Council shall be held every calendar year and within 6 months after the expiry of each financial year. Provided, however, that if the Registrar of the Companies shall have for any specified reason extended the time within which any Annual General Meeting shall be held by a further period of not exceeding 3 months, the Annual General Meeting shall be held within the additional time fixed by the Registrar. Except in cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting not more than 15 months shall elapse between the date of the Annual General Meeting and that of the next.
- (b) Every Annual General Meeting shall be called by sending a notice of not less than 14 days through modes as prescribed in the Act for a time during business hours, that is between 9.00 a.m. to 6.00 p.m. on any day that is not a National holiday and it shall be held either at the registered office of the Council or at some other place within the city, town or village in which the registered office of the Council is situated.

- (c) At every Annual General Meeting of the Council the following business shall be transacted:
- (1) To receive and consider the accounts and the annual report of the committee and the report of the auditors of the Council.
 - (2) To place on record the committee members and to elect the members of the Committee, who are liable to retire by rotation.
 - (3) To appoint auditors and fix their remuneration; and
 - (4) To present the output and the outcome of the activities of the council for the preceding year (including a report of the total exports of the products under their basket for the preceding year and targets and objectives of the council for the subsequent years(s)).

The council shall submit a report of total exports of the product under their basket for the preceding year and the targets and objectives of the council for the subsequent years.

- (d) All General Meetings other than Annual General Meeting shall be called Extra- ordinary General Meetings.
- (e) At the Annual General Meeting at which a committee member retires as aforesaid, the Council may fill up the vacancy by appointing the retiring Committee member or some other person thereto.
- (1) If the place of the retiring Committee member is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
 - (2) If at the adjourned meeting also, the place of the retiring Committee member is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Committee member shall be deemed to have been re- appointed at the adjourned meeting, unless
 - i. at that meeting or at the previous meeting a resolution for the reappointment of such Committee member has been put to the meeting and lost;
 - ii. the retiring Committee member has, by a notice in writing addressed to the Council or its Committee of Committee members, expressed his unwillingness to be so re-appointed.
 - (3) He is not qualified or is disqualified for appointment.
 - (4) A resolution, whether special or ordinary, is required for his appointment or reappointment in virtue of any provisions of the Act;

(Article 12.1 amended vide Special Resolution passed at AGM held on 28/09/2024)

12.2: Extraordinary General Meeting

- a) The Committee may whenever it thinks fit call an Extraordinary General Meeting.
- b) If at any time they are not within India, Committee members capable of acting who are sufficient in number to form a quorum, any Committee member or two members of the Council may call an Extra Ordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Committee.

- c) The Committee shall, on the requisition made in writing setting forth the reasons for the meeting of such number of members as hold in regard to any matter at the date of the deposit of requisition not less than one- tenth of total voting power of all the members having at the said date and right to vote in regard to the matter, forthwith proceed to call an extraordinary general meeting of the Council and the provision of Section 100 of the Companies Act 2013 (including the provision below) shall be applicable.
- d) The requisition shall set out all the matters for consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Council.
- e) The requisition may consist of several documents in like form to be signed by one or more requisitionists.
- f) Where two or more distinct matters are specified in the requisition the provisions of sub-clause (c) above shall apply separately in regard to each such matter and the requisition shall accordingly be voted only in respect of those matters in regard to which the condition specified in sub-clause is fulfilled.
- g) Subject to the provisions of the Companies Act 2013, if the Committee does not within 21 days from the date of the deposit of a valid requisition in regard to any matters proceed to call a meeting for the consideration of those matters on a date not later than 45 days from the date of the deposit of the requisition the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent one tenth of the total number of regular members.
- h) A meeting called under Sub-clause (g) above by the requisitionists or any of them shall be called in the same manner as nearly as possible, as that in which meetings are called by the Committee but shall not be held after the expiration of three months from the date of the deposit of requisition. Nothing contained herein shall be deemed to prevent the meeting duly commenced before the expiry of three months aforesaid from being adjourned to some date after the expiry of that period.
- i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Committee duly to call a meeting shall be repaid to the requisitionists by the Council.

Article 12.3: Notice of Meeting

- (a) A General meeting of the Council may be called by giving not less than **fourteen days'** notice in writing.
- (b) A General Meeting of the company can be called by giving a shorter notice provided consent of members in writing or in electronic mode is accorded thereto-
 - i. In case of an Annual General Meeting by all the members of the Council entitled to vote there at and
 - ii. In the case of any other meeting by members of the Council having not less than 95 percent of the total voting power exercisable at that meeting.

Article 12.3.1: Contents of Notice

- (a) Every notice of meeting of the Council shall specify the place, the date, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (b) No item of business which has not been specifically mentioned in the notice or notices upon which any general meeting has been convened shall be considered discussed, or transacted which it was convened.

Article 12.4: Means of Circulation of Notice

- (a) A document (which expression for this purpose shall be deemed to include and shall include any notice, requisition process or any other document) may be served or sent by Council on or to any member either by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such **electronic or other modes as applicable and notified by the prescribed authorities from time to time.**
- (b) Where a document is sent by post: -
- i. Service thereof shall be deemed to be effected by properly addressing pre paying and posting a letter containing the notice provided that where a member has indicated to the Council in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Council a sum sufficient to defray the expenses of doing so, service of documents shall not be deemed to be effected unless it is sent in the manner indicated by the member , and
 - ii. Such service shall be deemed to have been effected (a) in the case of a notice of meeting at the expiration of 48 hours after the letter containing the notice is posted, and (b) in any other case at the time at which the letter containing the notice delivered in the ordinary course of post.
- (c) Delivery of any document through a particular mode can be made by the Council, if requested by the member for which he shall pay such fees as may be determined by the Council in its annual general meeting.
- (d) A notice may be sent through e-mail as a text or as an attachment to e-mail or as a notification providing electronic link or Uniform Resource Locator for accessing such notice.
- (e) If a member has no registered address in India and has not supplied to the Council an address within India for the giving of notices to him a document advertised in a newspaper circulating in the neighbourhood of the registered office of the Council shall be deemed to be duly served on him on the day on which the advertisement appears.
- (f) Any document required to be served or sent by the Council on or to the members and not expressly provided for by these regulations shall be deemed to be served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the neighbourhood of the registered office of the Council.
- (g) The accidental omission to give notice of any meeting to, or non-receipt of any notice by any member shall not vitiate the proceedings at the meeting
- (h) Any notice to be given by the Council shall be signed by the Chairman or the Vice Chairman or by the Secretary or by such person as the Committee may appoint. The signature to any notice to be given by Council may be written, printed or lithographed.

Article 12.5: Proceedings at Meetings of the Council

Article 12.5.1: Quorum

Five members present in person shall be a quorum for general meeting and no business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business. The members of the quorum include Ordinary and eligible Associate members of the Council.

(Article 12.5.1 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 12.5.2 Adjournment of Meeting:

- a) If within half an hour from the time appointed for holding a meeting of the Council a quorum be not present, the meeting, if convened on the requisition of members, shall stand dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such date, time or place as the Committee may determine.
- b) If at an adjourned meeting also a quorum be not present within half an hour of the time appointed for holding the meeting the members present, shall be a quorum and shall have power to decide upon all the matters which could properly have been disposed of at the meeting from which the adjournment took place.
- c) The Chairman may with the consent of any meeting at which a quorum is present, and shall if so, directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- d) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Article 12.5.3: Chairperson of the Council:

- a) The Chairperson of the Council shall be entitled to take the chair at every general meeting or if there be no such Chairperson or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Vice Chairperson of the Council shall take the chair and in case of his unwillingness to do so then, the members of the Committee present may choose one of the members of the Committee to be a Chairman and if no member of the Committee present be willing to take the Chair, the Ordinary members of the council present shall choose one of them to take the chair.
- b) No business shall be discussed at any general meeting whilst the Chair is vacant.

Article 12.5.4: Voting Rights

- (a) At any meeting of the Council, the voting rights shall be exercised by ordinary members and every associate member having completed 3 continuous years as a member and having average exports of Rs. 25 Lakhs to its credit during the three preceding years and having no arrears as on April 01st of the same calendar year shall be entitled to vote.
- (b) Every such member shall have one vote.

- (c) In the case of equality of votes whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote to which he may be entitled as a member.
- (d) A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hand or on a poll, by his committee other legal guardian or other person in the nature of a committee other legal guardian appointed by that court and any such committee other legal guardian may on a poll vote by proxy.
- (e) No member shall be entitled to vote at any general meeting unless all monies presently payable by him to the Council have been paid.
- (f) On a poll, votes may be given either personally or by proxy.
- (g) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under seal, or under hand of an Officer or attorney duly authorised. A proxy of a member of the council shall be a member of the Council. A member shall not be entitled to appoint more than one proxy to attend on the same occasion. A proxy shall not have any right to speak at the meeting.
- (h) The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarial certified copy of that power or authority shall be deposited at the registered office of the Council or at such other place as specified for that purpose in the notice convening the meeting, not less than forty eight hours before the time for holding the meeting or adjourned meeting at which person named in the instrument proposed to vote or in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (i) An instrument appointing a proxy shall be valid only if it is in the form prescribed under the Act or as may be prescribed by the Ministry.
- (j) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (k) A vote given in accordance with the terms of an instrument proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Council at the office before the commencement of the meeting or adjourned meeting of which the proxy is used.

(Article 12.5.4 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 12.5.5: Voting by way of poll:

- (a) At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded as provided herein, be decided on a show of hands. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by at least 5 members present in person or through Authorised Representative or through proxy and having not less than one tenth of the total voting power in respect of the resolution.

- (b) A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Council, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
- (c) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- (d) No objection shall be raised as to the qualification of any voter except at the meeting or at the adjournment meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purpose. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive thereto shall be recorded in the minutes book then and there at the meeting given in writing to the members or proxy holder concerned during the meeting itself.
- (e) A poll demanded on a question of adjournment or on a question relating to the election of the Chairman shall be taken forthwith.
- (f) A poll demanded on any other question shall be taken at such time not being later than 48 hrs. from the time when the demand was made as the Chairman may direct.
- (g) At any meeting of the Council any business other than that upon which a poll has been demanded may be proceeded with pending taking of the poll provided that the poll is not on a question of adjournment or not relating to the election of the Chairman.
- (h) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause. Of the two-scrutinizer appointed under this clause, one shall always be a member (not being an officer or employee of the company) present at the meeting, provided such a member is available and willing to be appointed.
- (i) Subject to the provisions of this Act, the chairman of the meeting shall have power to regulate the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Article 13: RELATED PARTY TRANSACTIONS

Article 13.1: Restriction on Related Party Transactions

- (a) Except with the consent of the Committee, a Committee member or his relative, a firm in which such a Committee member or relative is a partner, any other partner in such a firm, or a private company of which the Committee member is a member or a director, shall not enter into any contract with the Council for the sale, purchase or supply of any goods, materials or services;
- (b) Nothing contained in sub-clause (i) shall affect:
 - 1) the purchase of goods and materials from the Council, or the sale of goods and materials to the Council, by any Committee member, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
 - 2) any contract or contracts between the Council on one side and any such Committee member, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Council or the Committee member, relative, firm, partner or private company, as the case may be regularly trades or does business.

Provided that such contract or contracts do not relate to goods and materials the value of which, or services, the cost of which, **exceeds one lakh rupees in aggregate in any year comprised in the period of the contract or contracts.**

- (c) Notwithstanding anything contained in sub-clause (i) and (ii) a Committee member, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Committee, into any contracts with the Council for the sale, purchase, or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds one lakh rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Committee shall be obtained at meeting within three months of the date on which the contract was entered into
- (d) Every consent of the Committee required under this clause shall be accorded by a resolution passed at a meeting of the Committee and not otherwise; and the consent of the Committee required under sub-clause (i) shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into
- (e) If consent is not accorded to any contract under this clause anything done in pursuance of the contract shall be violable at the option of the Committee.

Article 13.2: Disclosure of interest

- (a) Every Committee member who is in any way, whether directly or indirectly concerned or interested in a contract mentioned in Article 13.1 shall disclose the nature of his concern or interest at a meeting of the Committee.
- (b) In the case of proposed contract or arrangement, the disclosure required to be made by a Committee member under sub-section (1) shall be made at the meeting of the Committee at which the question of entering into the contract is first taken into consideration, or if the Committee member was not, at the date of that meeting concerned or interested in the proposed contract at the first meeting of the Committee held after he becomes so concerned or interested.
- (c) Disclosure by way of General Notice

- 1) For the purpose of the sub-clauses (1) and (2), a general notice given to the Committee by a Committee member, to the effect that he is a director or a member of a specified body corporate or is a member of the specified firm and is to be regarded as concerned or interested in any contract which may, after the date of the notice, be entered into with that body corporate or a firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract so made.
 - 2) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.
 - 3) No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Committee, or the Committee member concerned takes reasonable steps to secure that it is brought upon and read at the first meeting of the Committee after it is given.
- (d) Subject to the provisions of **Section 188 of the Act**, no committee member shall, as a Committee member, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into, by or on behalf of the Council, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

Article 14: LOANS TO COMMITTEE MEMBERS

Save as provided in section **185** of the Act, the Council shall not directly or indirectly make any loan or to give any security in connection with a loan made by any person to, or to any other person by: -

- (a) any Committee member or any partner or relative of any such Committee member;
- (b) any firm in which any such Committee member or relative is a partner;
- (c) any private company of which any such Committee member is a partner or member;
- (d) any body corporate at a general meeting of which not less than twenty-five per cent of the total voting power may be exercised or controlled by any such Committee member, or by two or more such Committee members together; or
- (e) any body corporate, the Board of Director, Managing Director, or Manager whereof is accustomed to act in accordance with the directions or instructions of the Committee, or of any Committee member of Committee members

Article 15: POWERS OF THE COMMITTEE:

Article 15.1: Powers of Management

- (a) The CoA 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.

- (b) 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 extra-ordinary general meeting of the council.

Article 15.2: Powers of the committee:

Without pre-judice to the general powers conferred by or implied in the last preceding Regulation and all other powers conferred by these Regulations but subject to the restrictions if any in the act it is hereby declared that the Committee shall have the following powers:

- a) To take offices for the use of Council, to defray all necessary expenses and to appoint and at its discretion to remove or suspend such one or more secretaries, treasurers, officers, clerks and employees for permanent, temporary or special service as it may from time to time find necessary for the proper conduct of the affairs of the Council, determine their powers and duties and fix their salaries, emoluments or remunerations and require securities in such instances and for such amounts as it may think fit.
- b) To act in any matter wherein it considers the interests of the members of the Council are affected, to engage in any action at law with the object of assisting any member of the Council if in its opinion the purpose involved affects the interests of the members of the Council as a body and to employ and retain solicitors, Counsel and other legal advisers as and when occasion may require.
- c) To purchase or otherwise acquire for the Council any property, movable or immovable rights or privileges which the Council is authorized to acquire for the Council and to erect building or buildings for the purpose of the Council at or for such price or consideration and generally on such terms and conditions as it may think fit and in any such purchase or acquisition to accept such title as the Committee may believe or may be advised to be reasonably satisfactory.
- d) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of building or buildings and other movable property of the Council either separately or conjointly and to assign surrender or discontinue any policies of insurance effected in pursuance of this power.
- e) To invest and deal with the moneys of the Council not immediately required for the purpose thereof upon such securities or without security in such manner as it thinks fit and from time to time to vary or realize, such investments and to execute all assignments and transfers, receipts and documents that may be necessary or expedient in that behalf provided that save as permitted by the Act all investments shall be made and held in the Council's own name.
- f) From time to time at its discretion to accept deposits from members of the Council and generally to raise or borrow or secure payment of any sum of sums of money for the purpose of the Council in such manner and upon such terms and conditions in all respects as the Committee may think fit.
- g) To open accounts with any bank or banks or with any company, firm or individual and to pay money into and draw money from such account from time to time as the Committee may think fit.
- h) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Council or its officers or otherwise concerning the affairs of the Council and also to compound and allow time for payment or satisfaction of any debts due or of

any claims or demands by or against the Council and to refer any claims or demands by or against the Council or any difference to arbitration and to observe and perform any awards made thereon.

- i) To act on behalf of the Council in all matters relating to bankrupts and insolvents.
- j) To make and give receipts releases and discharges for money's payable to the Council and for the claims and demands of the Council.
- k) To determine from time to time who shall be entitled to sign on behalf of the Council bills, notes, receipts, acceptances, endorsements, cheques and other negotiable instruments, releases, contracts and documents and to give the necessary authority for such purpose.
- l) To appoint any sub-committee and such sub-committees may be permanent or temporary or for such special purpose as the Committee may determine.
- m) To delegate subject to such conditions as it thinks fit any of its powers to sub-committees and to make, vary or repeal bye-laws or rules for the regulation of the proceedings of sub-committees.
- n) At any time and from time to time by power of attorney to appoint any person or persons to be attorney or attorneys of the Council for such powers and authorities (not exceeding those vested in or exercisable by the Committee) and for such period and subject to such conditions as the Committee may from time to time think fit.
- o) To provide for the welfare of employees or ex-employees of the Council and the families or dependents or connections of such persons by buildings or contribute to building houses and dwellings or quarters or pay grants of money, pensions, gratuities, allowances or any other payments by creating and from time to time subscribing or contributing to provident and other associations, institutions funds or trusts calculated to benefit the employees or ex-employees of the Council or their families dependents and connections and to subscribe, donate or guarantee money for any charitable benevolent, religious, scientific, national, public, political or any other institutions objects or purposes or for any exhibition.
- p) To make, vary and repeal bye-laws or rules for regulation of the business of the Council and generally for admission of members of the Council, and filling up vacancies in membership.
- q) To do all such acts, deeds, and things in the name and on behalf of the Council as the Committee shall think expedient for promoting the objects of the Council or for or in relation to any of the matters aforesaid or otherwise for the purpose of the Council.

Article 16: PROCEDURE OF THE COMMITTEE:

Article 16.1: Conduct of the meetings of the Committee:

- (a) The Committee shall hold at least 4 meetings during a year.
- (b) The Committee may meet for the considering any item of business, adjourn and otherwise regulate its meetings as it thinks fit subject to the provisions of the relevant Act. Save as otherwise expressly provided in the Act questions arising at any meeting

of the Committee shall be decided by a majority of votes. In case of equality of votes the Chairman shall have a second or casting vote.

- (c) Chairperson may himself require the secretary to call for a meeting of committee members. Members representing one fifth of the strength of the committee having voting powers but not less than 3 members the chairperson shall require the secretary to call for a meeting within a reasonable time which shall not be later than 15 days.
- (d) If for any reason the Secretary does not summon a meeting within seven days from the date of deposit of the requisition with the Council, the Chairman and Vice Chairman or the Committee member as the case may be shall himself be entitled to summon a meeting.
- (e) Any Committee meeting summoned or convened otherwise than by or under the request of the Chairman or Vice Chairman shall be held in the vicinity of the headquarters of the Council.
- (f) Notice of every meeting of the Committee shall be given in writing at least seven clear days prior to the date of the meeting to all Committee members for the time being in India and at his usual address in India to every other Committee member and such notice **shall be sent by hand delivery or by post or by electronic means.**
- (g) The notice as aforesaid shall specify the agenda of the meeting. The meeting may however also consider matters not mentioned in the agenda with the permission of the Chairman of the meeting and with the consent of majority of the directors present at the meeting of the committee.
- (h) The quorum for the Committee meeting shall be either eight members or 25 percent of its total strength whichever is less provided the quorum shall not be less than two members in any case.
- (i) The Chairperson shall preside at all meetings of the Committee. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the vice chairperson shall preside at the meeting and in the absence of Chairperson and Vice Chairperson, the Committee members present may choose one of their members to the Chairman of the meeting.
- (j) There shall be no proxy at the meetings of the Committee.
- (k) The records of the proceedings of the Committee shall be open for examination by the members of the committee
- (l) The Committee 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.

Article 16.2 SPECIAL INVITEES

- (a) The Committee may from time to time invite such persons (not exceeding two per meeting) as it thinks fit to attend its meetings or the meetings of any sub- committee or panel. Such persons (Special Invitees) are not members of the Committee and are not

entitled to vote on any matter before the Committee, subcommittee or panel as the case may be but may participate in the discussions if specifically invited to do so.

- (b) Special Invitees are not entitled to reimbursement of traveling or other expenses or to any remuneration or allowance for attending the meetings.

Article 17: PANELS

- a) The Committee may delegate any of their powers to panels consisting of such member of members of their body as it thinks fit and it may from time-to-time revoke and discharge any such panel either wholly or in part and either as to persons or purposes but every panel so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Committee. All acts done by any such panel in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Committee.
- b) The meetings and proceedings of any panel consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Committee in so far so the same are applicable thereto and are not superseded by any regulations made by the Committee under the last preceding Regulations.
- c) All acts done by any meeting of the committee panel, or by any person acting as a member of the committee, panel or sub-committee shall not withstanding that it shall be afterwards discovered that there was some defect in the appointment of such members or of any person acting as aforesaid or that they or any of them were or was disqualified be as valid as if every such person had been duly appointed and was qualified to be a member of the committee, panel or sub- committee.

Article 18: CIRCULAR RESOLUTION:

- a) Any business which may be necessary for the Committee to transact may, if the Chairperson so directs ,be carried out by circulation of papers through electronic and / or physical means 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 a 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 five working days but not more than 7 working 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 through electronic and / or physical means to all the members of the Committee and shall be recorded in the minutes of the next meeting of the Committee.
- d) All such resolutions/important documents shall be immediately uploaded on the website of the council

- e) Notwithstanding paragraph (d), nothing in this article shall be constructed to require the council to disclose any information which is confidential in nature.

(Article 18 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 19: MINUTES OF PROCEEDINGS OF COMMITTEE AND COUNCIL MEETINGS:

- a) The Council shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its committee and of every subcommittee and panel to be kept by making within 30 days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consequently numbered.
- b) Each page of every such book shall be initialled or signed and the last page of the record or proceedings of each meeting in such books shall be dated and signed by:
- 1) In the case of minutes of proceedings of a meeting of the committee or of a sub-committee thereof, or panel by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - 2) In the case of minutes of proceeding of a General Meeting by the chairman of the same meeting within the aforesaid period of 30 days or in the event of the death or inability of the Chairman within the period by a committee member duly authorised by the Committee for the purpose
- c) An Entry in the minute book of the council in regard to any resolution moved at a meeting shall be conclusive evidence of the fact that the resolution was:
- Passed unanimously or
 - Adopted by majority
 - Defeated as the case may be.

(Article 19 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 20: ACCOUNTS

- a) The Committee shall cause to be kept proper Books of Account with respect to:
- 1) All sums of money received and expended by the Council and the nature in respect of which the receipts and expenditure take place;
 - 2) All sale and purchase of goods by the Council.
 - 3) The assets and liabilities of the Council.
- b) The books of Account shall be kept at the Registered Office of the Council or at such other place as the Committee thinks fit and shall be open to inspection by the Members of the Committee during office hours.

- c) The Committee shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the Accounts and Books of the Council or any of them shall be open to the inspection of members of the council not being Member of the Committee and no Member (not being a member of the Committee) shall have any right of inspection of any Account or Book or Document of the Council except as conferred by law or authorized by the Committee or by resolution of the Council in a General Meeting.

Provided that the Accounts and Books of the Council shall be open for inspection by an officer duly authorized in this behalf by the Union Government for ascertaining or verifying the income and expenditure of the Council or for such other purpose as may be agreed between the Council and the Union Government as specified in this regard.

- d) At every annual general meeting of the Committee, the Committee shall lay before the Council;

- 1) The audited balance sheet as at the end of the financial year.
- 2) An audited income and expenditure account.

- (e) The income and expenditure accounts shall relate:

- (1) in the 1st general meeting of the Council, to the period beginning with the incorporation of the Council and ending with a day which shall not precede the day of the meeting by more than 9 months;
- (2) In case of any subsequent Annual General Meeting of the Council, to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the date of the meeting by more than 6 months or in cases where extension of time has been granted for holding the meeting by more than months and the extension so granted.

- f) Subject to the provisions of the Act every Balance Sheet shall be in the form set out in **Part I of the Schedule III** of the Act or as near thereto as circumstances admit.

- g) The Income and Expenditure account shall give a true and fair view of the excess of income over expenditure or excess of expenditure over income and show under the most convenient heads the amount of gross income distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the expenses of establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated and further the reason why only a portion of such expenditure charged against the income of the year shall be stated unless the members of the Council in General Meeting shall determine otherwise.

- h) The Income and Expenditure Account shall be annexed to the Balance sheet and the Auditor's Report including auditor's separate, special or supplementary report shall be attached.

- i) Every Balance sheet and Income and Expenditure Account of the Council shall be signed on behalf of the Committee by the Chairman.
- j) Every Balance sheet laid before the Council in General Meeting, shall have attached to it a report of the Committee with respect of the state of Council's affairs. Fulllest information and explanation on every reservation, qualification or adverse remark contained in the auditor's report shall be furnished in the form of the addendum to that report. Such report shall be signed by the Chairman on behalf of the Committee.
- k) A copy of such Income and Expenditure Account and Balance sheet as audited together with the report of the Auditors and Committee shall at least 14 days previous to the meeting be sent to the registered address of every member and a copy shall also be deposited at the Office for the inspection of Members during a period of at least 14 days before the meeting.
- l) A copy of the financial statements along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the annual general meeting of the company, shall be filed with the Registrar within thirty days of the date of annual general meeting.

Article 21: MAINTENANCE AND PUBLICATION OF ACCOUNTS AND AUDIT

- a) The account of the Council shall be audited every year by auditors appointed in this behalf subject to Section 139 of the Companies Act, 2013.
- b) The remuneration of the Auditors shall be fixed by the Council at a General Meeting.
- c) The Auditors shall have the right of access at all times to the Books of Accounts of the Council and shall be entitled to require from the Committee or the Offices of the Council such information and explanation as may be necessary for the due performance of their duties as Auditors. The Account of receipts and expenditure relating to each year together with the Auditor's Report thereon shall be submitted to the Council as soon as may be but no later than six months and the Auditor's Report shall simultaneously be forwarded to the Union Government.
- d) The Auditors shall make a report to the members of the Committee on the Accounts examined by them and on every Balance Sheet and Income and Expenditure Account and on every other document declared to be part of or annexed to the Balance Sheet or Income and Expenditure Account which are laid before the Council in General Meeting during their tenure of office and the report shall state whether in their opinion and to the best of their information and according to the explanation given

to them, the said accounts give the information required under the Companies Act in the manner so required and give a true and fair view and,

- (1) In the case of Balance sheet, the state of Council's affairs as at the end of the financial year; and
- (2) In case of Income and Expenditure Account of the income or excess expenditure for its financial year.

e) The Auditor's Report shall also state:

- (1) Whether they have obtained all the information and explanations which to the best of their knowledge and beliefs were necessary for the purpose of Audit.
- (2) Whether in their opinion proper books of account as required by law have been kept by the Council so far as appears from the examination of those books and proper returns adequate for the purposes of their Audit have been received from branches not visited by them.
- (3) Whether the report on the accounts of any branch office audited by a person other than Company's Auditors has been forwarded to them and how they have dealt with the same in preparing the Auditor's Report.
- (4) Whether the Council's balance sheet and the income and expenditure account dealt with by the report are in agreement with the books of account and returns.

f) The auditors shall be entitled to receive notice of and to attend any General Meeting of the Council at which any accounts which have been examined or reported on by them are to be laid before the members and may make any statement or explanation they desire in respect of the accounts.

Article 22: ALLOWANCES FOR COMMITTEE MEMBERS

A Committee member shall be reimbursed actual travelling expenses incurred by them for attending committee / panel meetings subject to the maximum limit's given below.

- (1) Economy class air fare for air travel against ticket copy & boarding pass.
- (2) First class AC fare for travel by train against ticket copy.
- (3) Central Govt. rates in force applicable to non-official members on various Central Govt. Committees for travel by road.
- (4) Hotel & Food allowance at actuals against bills & receipts but with maximum limit of Rs.5000/ per meeting

Article 23: ALLOWANCES FOR OTHER DOMESTIC TRAVEL

- a) At the discretion of the executive committee, subject to below conditions, a committee member is entitled to reimbursement of travelling expenses incurred by him for travel in pursuance of
- (1) a formal invitation extended by the Central / State Government (i) to the committee member or (ii) to the Chairman or Vice Chairman who in turn has nominated the committee member to attend on his behalf.

- (2) a delegation representing council to meet Central Minister(s), Secretary(s) of Govt. of India, or Development Commissioner, if nominated by EC.
- (3) a special event (Award / Fair /Exhibition / any other event) organized by council within India.

Conditions

- (1) Economy class air fare for air travel against ticket copy & boarding pass.
 - (2) First class AC fare for travel by train against ticket copy.
 - (3) Central Govt. rates in force applicable to non-official members on various Central Govt. Committees for travel by road.
 - (4) Hotel & Food allowance at actuals against bills & receipts but with maximum limit of Rs.5000/ per day
- b) Subject to below conditions, chairman of the council is entitled to reimbursement of travel expenses incurred by him, during the days of below activities.
- (1) To visit head office for the administrative purpose at the maximum of one visit per month.
 - (2) To receive any official delegation or to attend any official meetings with government officials at headquarters of the council.
 - (3) To visit other regional offices for the administrative purpose at the maximum of one visit per three months.
 - (4) To receive any official delegation or to attend any official meetings with government officials at regional offices of the council.
 - (5) To meet state and central government officials on industry related matters, against invitation (or) against the executive committee requests / decisions.

Conditions:

- (1) Economy class air fare for air travel against ticket copy & boarding pass.
- (2) First class AC fare for travel by train against ticket copy.
- (3) Central Govt. rates in force applicable to non-official members on various Central Govt. Committees for travel by road.
- (4) Hotel & Food allowance at actuals against bills & receipts but within maximum limit of Rs.7000/ per day.

Article 24: ALLOWANCES FOR OVERSEAS TRAVEL

- a) A committee member on overseas travel in pursuance of his nomination by the Central Government as a part of an official delegation overseas for industry /trade purposes is entitled to:
- (1) reimbursement of air fare actually incurred by him subject to a maximum of business class air fare and
 - (2) Provision of overseas hotel accommodation, payment of per diem and entertainment allowances as per Central Govt. regulations applicable to the Secretary (Textiles), or his successor in office.

b)

- (1) Subject to the condition in sub clauses in (b) & (c), a committee member on overseas travel accompanying a trade delegation of the Council whose itinerary includes the conduct of Buyer Seller Meet may, at the discretion of the committee, be entitled to reimbursement of airfare actual incurred by him subject to a maximum of 50% of the economy class airfare without any other allowances or reimbursements.
- (2) Committee member shall not be entitled to any such reimbursement if he or a member whom he represents is in receipt of any financial assistance from the Central or State Government for such overseas travel.
- (3) If the Council has received any financial assistance from the Central Government the total airfare reimbursed by the Council under this clause of any financial year shall not in any event exceed the financial assistance received during that financial year.

Article 25- SPECIAL ALLOWANCES

- a) Chairman is entitled to travel as part of administration team to any domestic and overseas fairs / exhibitions / delegations / bsm etc., when the council participate / organize the event. In such case, entire travel, accommodation, & food expenses shall be paid by the council directly to the vendors / suppliers and accommodate in the approved budget of the particular event.
- b) In case Chairman is NOT traveling as part of administrative team, Chairman may delegate the Vice chairman (or) a committee member (in case vice chairman not willing to travel) (Maximum one committee member per event) to travel as part of administration team to any domestic and overseas fairs / exhibitions / delegations / bsm etc., when the council participate / organize the event. In such case, entire travel, accommodation, & food expenses shall be paid by the council directly to the vendors / suppliers and accommodate in the approved budget of the particular event.
- c) In cases where the Council is unable to make payments directly to the vendors, the Chairman/ Vice chairman (or) a committee member as the case may be, shall make payments towards the same on behalf of the Council. The Chairman / Vice chairman (or) a committee member shall be eligible to claim reimbursement to the Council subject to provision of proper documents to substantiate the claim.
- d) When the chairman or a committee member travel as part of administrative team, the chairman or the committee member dedicate their entire time to council activities during the days of fairs / exhibition / delegations / bsm etc. While the chairman or vice chairman or committee member travel as a part of administrative team, if their company participate in fair / bsm / activity through the council / through other mode, No travel allowance in any form is allowed.
- e) After completion of the days of fair / exhibition/ delegations/ bsm etc., the chairman or committee member may continue their own personal travel, however, the Council shall not bear the cost of such extended personal travel,

Travel Class:

Overseas: Chairman – Business Class.

Committee Member –Economy Class.

Domestic: Chairman – Economy Class.

Committee Member –Economy Class.

Hotel / Food Budget:

Overseas: Chairman – Maximum of 250\$

Committee Member – 200\$

Domestic: Chairman –Maximum of Rs. 7000/-

Committee Member – Rs.5000/

Article 26: BUDGET ESTIMATES AND SUPPLEMENTARY ESTIMATES

- a) 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 Council and no expenditure shall be incurred until the budget is sanctioned by the Council. In the event, however, of the Council receiving any grant for financial assistance from the Government of India, the preparation of budget and the incurring of the expenditure shall be made in consultation with the Union Government.
- b) Wherever, the Government assistance under any scheme is provided to the council, a separate Empowered Committee/Standing Committee shall be constituted by council for monitoring of such expenditure. The Government nominee shall attend that meeting only
- c) The Budget shall be in such form as the Council may direct and shall include a statement of:
 - (1) the estimated opening balance,
 - (2) the estimated receipts,
 - (3) the proposed expenditure classified under the following major heads or such other heads as the Council may direct;
 - i. Administration outside India,
 - ii. Administration within India;
 - iii. Propaganda outside India;
 - iv. Propaganda within India;
 - v. Collection of statistics and other information;
 - vi. Dissemination of information;
 - vii. Trade Missions;
 - viii. Standardisation and Inspection;
 - ix. Arbitration and Settlement of trade disputes and incidental expenses; and
 - x. Others
- (d) The proposed expenditure under each major head shall be further classified under the following sub-heads:
 - (1) Pay of Officers;

- (2) Pay of Establishment;
- (3) Allowances, honoraria etc and
- (4) Other charges, contingencies etc.

(e) Supplementary estimates of expenditure shall be submitted for the sanction of the Council in such form and on such dates as may be specified by the Council in consultation with Union Government.

Article 27: POWER TO INCUR EXPENDITURE

Subject to the provisions of the 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 Secretary or Assistant Secretary of the Council such financial powers as it may consider expedient.

The Council may, subject to the provisions of these Articles, incur expenditure outside India provided the necessary foreign exchange is made available by the Reserve Bank of India.

Article 28: CUSTODY AND DISBURSEMENT OF FUNDS

The Council shall make bye-laws for the custody and disbursement of funds provided that:

- (1) The current account of the Council shall be kept in a Bank chosen by the Council and all monies at the disposal of the Council, with the exception of petty cash and impress, shall be paid into such account; and
- (2) The funds not required for current expenditure may be placed in fixed deposit with any bank chosen by the Council or in any security in which trust property may lawfully be invested under Indian trusts, Act; 1882;
- (3) Any disposal/ sale/ lease / transfer of assets created out of Central Government grant shall require prior specific approval of the Ministry of Textile.

Article 29: APPOINTMENT OF EXECUTIVE DIRECTOR, SECRETARY, OFFICERS AND OTHER SERVANTS

Article 29.1 Executive Director:

- (a) There shall be a Executive Director of the Council, who shall be under the control and direction of the committee and shall be overall in charge of the administration of the council; and shall supervise the work of all officers of the council.
- (b) The Council may have a secretary, if necessary, who shall however work under the administrative control of Executive Director.
- (c) The Executive Director, a secretary shall be appointed by Committee, using the recruitment guidelines framed by EC / Staff Subcommittee from time to time. The recruitment rules shall be “reviewed” and “amended if necessary” at least once in 3 years.

Article 29.2: Secretary

The Secretary if so appointed, shall devote himself faithfully to the business and affairs of the Council. He shall have charge of all correspondence and shall keep an account of the funds of the Council and funds connected with an in any way controlled by the

Council. He shall keep accurate minutes of all the meetings of the Council and of the Committee. He shall have care of the rooms, furniture, library, documents and other articles belonging to the Council or the Committee. He shall give notice of all meetings of the Council or to Committee. He shall 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. He shall prepare an Annual Report of the Council under the guidance of the Committee and generally perform all such duties as are incidental to his office.

Article 29.3 Employees and Officers

- a) All posts of officers and staff of the Council be created and all appointment to such posts shall be made by the Committee.
- b) The other officers of the Council including the secretary shall devote themselves entirely to such business and affairs of the Council as may be assigned to them by the Executive Director.
- c) In the absence of the Executive Director, any other officer appointed as such by the Committee shall perform the functions of the Executive Director. In the absence of the Secretary, any other officer appointed as such by the committee shall perform the functions of the Secretary.
- d) The Committee may in respect of the Executive Director and other officers and staffs of the Council make bye-laws to regulate:
 - (1) the conditions of services
 - (2) the appointment, promotion and dismissal
 - (3) the grant of pay, leave, allowance, pensions, gratuities and compassionate allowance.
 - (4) the establishment and maintenance of Provident Fund
 - (5) terms of deputation of the Council's employees to other organizations
 - (6) the duties assigned to each office.

Article 29.4: Internal Resources

At least 50% of the internal revenue/ resources of the council except those derived from Government grants, shall be utilised for development and export promotion activities including market studies, dissemination of trade information, buyer-seller meets, participation in trade fairs in India and outside India

(Article 29.4 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 30: INVESTMENT OF FUNDS

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

(Article 30 amended vide Special Resolution passed at AGM held on 28/09/2024)

Article 31: COMMON SEAL:

- a) The Committee shall provide a common seal for the Council
- b) The Committee shall provide for the safe custody of the seal. The seal of the Council shall not be affixed to any instrument except by the authority of a resolution of the committee and except in the presence of at least two members of the committee and the Secretary or such other person as the committee may appoint for the purpose, and those members of the committee and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is fixed in their presence.

Deeds, bonds and other contracts under seal made on behalf of the Council, sealed with common seal of the Council and signed by any two members of the Committee and countersigned by the Secretary shall be deemed to be duly executed.

Article 32: ROLE AND FUNCTIONS OF THE COUNCIL:

Article 32.1: Basic Role

Council shall work in association with the Government to facilitate country's exports through diversification of products and markets, adhering to standards and quality.

Article 32.2: Duties of Council

- a) The Council shall, from time to time obtain from its members, proposals for export and then prepare an integrated action plan for:
 - (1) the promotion of exports,
 - (2) the generation of production for exports,
 - (3) the setting of exports targets generally and also in relation to specific countries and commodities,
 - (4) the signing of MoUs/ agreements, foreign collaborations with partner agencies,
 - (5) imparting export-oriented training programme to the member exporters, and giving wide publicity for creating awareness among exporters about trade developments, Government policies and opportunities available.
- b) 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.
- c) The Council shall make all possible efforts to secure prompt execution of such plans.

Article 33: ALTERATION OF THE ARTICLES

No change, alteration or modification shall be made in the Articles without prior approval of the Government.

Article 34: LIABILITY OF THE MEMBERS OF THE COMMITTEE, SECRETARY, OR AN OFFICER OF THE COUNCIL

Subject to provision of the Act, no member of the committee or a subcommittee/panel thereof, Secretary or other officer of the Council or any person employed as an auditor shall be liable (otherwise, save as mentioned under the Act than through any negligence, default, misfeasance, breach of duty or breach of trust on his part) for the acts, receipts, neglects or defaults of any other member or members of the committee or subcommittee, Secretary or other officer or for any loss or damage caused to the Council through the insufficiency or deficiency of title to any property acquired by order of the committee for or on behalf of the Council or for the insufficiency or deficiency of any securities in or upon which any of the moneys of the Council shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss or damage occasioned by any error of judgment or for any other loss, damages or misfortunes whatever which shall happen in the execution of duties of his office, or in relation thereto.

Article 35: ARBITRATION

a) Any dispute doubt difference or claim out of or in relation to these regulations, the rules and Bye-laws framed under it (other than matters wherein the decision is prescribed as final and binding).

- (1) Between the Council and any one or more of the ordinary members and or the Associate Members.
- (2) Between anyone or more of the ordinary members and the Associate Members.
- (3) Between the Associate Members inter-se or
- (4) Between the ordinary members inter-se

Shall be referred to arbitration by the Textile Commissioner to the Govt. of India or any person nominated by him

b) The provision of the Arbitration and Conciliation Act 1996 shall apply. Courts in Chennai city shall have exclusive Jurisdiction.

ARTICLE 36: POWERS OF THE CENTRAL GOVERNMENT

36.1 Power to give directions

- (a) The Central Government shall have the power to give directions to the council(s) as to the performance of its function, where that Government considers such directions to be necessary:
 - i. In the interests of national security, or
 - ii. In the interests of the national economy; or
 - iii. Otherwise in the public interest.
- (b) 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.

- (c) The council shall be bound to comply with all directions issued by the Central Government under paragraph (a) or (b) of Article 45.1 and all provisions contained in the Export-Import Policy of the Central Government for the time being in force.
- (d) The council shall be eligible to issue Registration-Cum-Membership Certificate (RCMC) and be eligible for obtaining grants under the Market Access Initiative (MAI) Scheme or any other benefits from the Government of India subject to complying with the provisions contained in para 2.78 of the Handbook of Procedures 2023 and other guidelines of the Foreign Trade Policy including any amendments, enactments and modifications as may be introduced by the Government of India from time to time.

36.2 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 in general or in relation to a group of Councils or a particular Council where such a direction appears to be necessary in public interest.

36.3 Foreign Collaboration

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

We, the following persons, subscribe our names to the above Memorandum of Association and are desirous of being formed into a Company not for profit in pursuance of this Memorandum of Association.

Names, address and descriptions of subscribers.

(Article 36 inserted vide Special Resolution passed at AGM held on 28/09/2024)

S. No.	Name and Signature	Address	Description	Witness to Signature	Signature of Witness
1.	V.M.Srikumaran Nayar (sd.) V.M. Srikumaran Nayar	Joint Chief Controller of Imports & Exports, Chennai-1	Son of late Kadirgi, Nedungadi, Koppam, Palghat.	M. Madurai Nayagam Son of Late Havildar, Madurai, Shenbakkam, Vellore	(Sd.) M. MaduraiNayagam.
2.	K.V.Sundaravelu(sd) K.V.Sundaravelu	Prop. The Nagavedu, Lungi Company, 28, G.A.Road, Chennai-21.	Son of late K.G.Vembalu Mudaliar, Nagavedu Post, Arakonam Taluk	M. Madurai Nayagam	(Sd.) M. MaduraiNayagam

			N.A. District		
3.	R. Kothandaraman (sd.) R. Kothandaraman	Partner, Radha Silk Emporium, Chennai- 4.	Son of Sri. R.K. Radha Krishna Chettiar, Injikollai, Tiruchirai P.O.	M. Madurai Nayagam	(Sd.) M. MaduraiNayagam

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3.	R.Kothandaraman (sd.) R.Kothandaraman	Partner, Radha Silk Emporium, Chennai- 4.	Son of Sri. R.K.Radha Krishna Chettiar, Injikollai, Tiruchirai P.O.	M.Madurai Nayagam	(Sd.) M.Madurai Nayagam

3.	R.Kothandaram an (sd.) R.Kothandarama n	Partner, Radha Silk Emporium, Chennai-4.	Son of Sri. R.K.Radha Krishna Chettiar, Inilkollai	M.Madurai Nayagam	(Sd.) M.Madurai Nayagam
4.	M.S.A. Majid(Sd.) M.S.A.Majid	Partner, Aziz& Jalal,34, 1 st Mai nRoad,	Son of late M.A.ShaikMa dar, Triplicane,Ch ennai.	M.Madurai Nayagam	(Sd.) M.Madurai Nayagam
5.	N. Ramaswamy (Sd.) N.Ramaswamy	General Manager, Handlooms Handicrafts &Handloom sExports Corporation	Son of late P.R.Narayan aBhagavatha r Pazhayanur, Trichur Dt.	M.Madurai Nayagam	(Sd.) M.Madurai Nayagam
6.	Iravatham Mahadevan(Sd.) I.Mahadevan	Director of Handloom Chennai- 6.	Son of the late Dr.Iravatham ,Plot No.144, Chamiers Road,	M.Madurai Nayagam	(Sd.) M.Madurai Nayagam
7.	M.Madurai Nayagam (sd.)M. Madurai Nayagam	Director, Regional Office of the Textile Commissio	Son of late Havildar Maduri Shenbakka m, Vellore.	V. Rajagopalan Son of late V. Varadachariar No.15, Daivasigamani	(Sd.)V. Rajagopalan

