

Memorandum of Association

Of

THE HANDLOOM EXPORT PROMOTION COUNCIL

1. The name of the Company is “THE HANDLOOM EXPORT PROMOTION COUNCIL”.
2. The Registered Office of the Company will be situated in the State of Madras.
3. The objects for which the Company is established are:
 - i) to support, protect, maintain, increase and promote the export of Indian handloom fabrics by such methods as may be necessary or expedient, and without prejudice to the generality of the premises by:-
 - a) undertaking market studies in individual foreign countries regularly as well as on ad-hoc basis;
 - b) sending out trade missions to foreign countries;
 - c) appointing representatives, agents or correspondents in foreign markets for the purpose of continuously and regularly reporting the prices, market preferences, reception accorded to actual deliveries of Indian handloom fabrics and other connected matters;
 - d) conducting propaganda regularly so as to bring to the notice of the dealers and the public in foreign countries the advantages of trade and commerce with India in handloom fabrics;
 - e) collecting statistics and other information regarding the manufacture or trade in Indian handloom fabrics in various countries;
 - f) propagating information useful to the manufacture and trader in Indian handloom fabrics by lectures, discussions, books, correspondence or otherwise;
 - g) laying down standards of quality and packing in respect of Indian handloom fabrics intended for export;
 - h) setting up an organization or maintaining liaison with an organization which may be set up for the inspection of Indian handloom fabrics intended for export;
 - i) deputing the officers of the Company to witness the survey of Indian handloom fabrics exported or intended for export in foreign countries or in India as a result of any dispute or difference between the parties to a contract for sale and purchase of Indian handloom fabrics.

- j) inquiring and investigating into complaints received from foreign importers or Indian exporters in respect of the quality, description or other particulars of handloom fabrics exported from India or the non-performance or non-observance of the terms and conditions of contract relating to such exports and other connected matters, and advising the manufacturer or exporter of Indian handlooms fabrics regarding the methods to be adopted to obviate complaints of similar nature in future;
 - k) making recommendations as may be necessary or expedient to Government and Public Bodies like Chambers of Commerce where the Company on investigation of a complaint received by it is satisfied about its genuineness and is convinced that it has been caused by the willful or negligent act or acts of the manufacturer or the exporter of the fabrics, as the case may be;
 - l) acting as arbitrators or nominating arbitrators or valuers in the settlement of disputes and differences arising out of the transactions relating to the exports of Indian handloom fabric between parties who agree to refer their disputes to the Company;
 - m) undertaking or assisting in research in method, designs etc. and schemes of a technological nature designed to improve the efficiency of the handloom sector;
 - n) communicating with Chambers of Commerce and other Mercantile and Public Bodies throughout India and abroad and promoting measures for the protection and advancement of the export of Indian handloom fabrics.
 - o) offering professional advice to its members in areas such as technology upgradation, quality and design improvements, standards and specifications, product development, innovation etc.,and
 - p) organising participation in Trade Fairs, Exhibitions and Buyer Seller Meets in India and abroad.
- ii) To enunciate just equitable principles to govern the export trade in Indian handloom fabrics and to set up a code or codes of practices for the general guidance of exporters and manufacturers of Indian handloom fabrics for export and further to simplify transactions relating to the export of Indian handloom fabrics.
 - iii) To keep in constant communication with Chambers of Commerce and other Mercantile and Public Bodies throughout the world with a view to taking appropriate and necessary measure for maintaining or increasing the export of Indian handloom fabrics;

- iv) To advise or represent to Government, local authorities and Public Bodies on the policies adopted by them in relation to their effect on industry or commerce and other measures including direct and indirect taxation in so far as such policies or measures have a bearing directly or otherwise on the export of Indian handloom fabrics;
- v) To purchase, hire or otherwise acquire and maintain suitable buildings, apartments, furniture and other fittings in any country for the establishment of show-rooms, emporia or other agencies for publicity in regard to Indian handloom fabrics or for the purpose of achieving any of the objects for which the Company is established;
- vi) To establish and maintain museums, collections, libraries, and compilation of literature and to translate, compile, collect, publish, lend, purchase or sell any literature connected with the trade and commerce relating to Indian handloom fabrics;
- vii) To prepare, edit, print, publish, issue, acquire and circulate books, papers, periodicals, gazettes, circulars and other literature treating or bearing upon industry, trade or commerce pertaining to Indian handloom fabrics.
- viii) To acquire, purchase or take on lease lands, buildings or other movable or immovable property which the Company may from time to time deem fit necessary to acquire, purchase or taken on lease;
- ix) To sell, improve, manage, develop, exchange, loan, sublet, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property of the Company;
- x) To enter into contracts;
- xi) To draw, make, accept, endorse, discount and execute negotiable instruments;
- xii) To invest the moneys of the Company in any bank approved in this connection by Government;
- xiii) To subscribe for, become a member of and co-operate with any other Association whether incorporated or not, whose objects are, altogether or in part, similar to those contained in this Memorandum and to obtain from and to communicate to any such Association such information as may be likely to fulfill the objects of this Company; and
- xiv) To do all such other acts as may be conducive for the maintenance and increase of the export trade and commerce in Indian handloom fabrics or incidental to the attainment of the above objects or any of them.

Provided that the Company shall not support or impose any regulations or restrictions which, if an object of the Company, would make it a trade union.

4. The liability of the members is limited.
5. The objects of the Company extend to every country in the world.
6. Every member of the Company other than the ex-officio members undertakes to contribute to the assets of Company in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted prior to the date on which he ceases to be a member, and of the costs, charges and expenses of winding up of the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding Rs.500.
7.
 - i) The income and property of the Company, when so ever derived, shall be applied solely for the promotion of its objects as set forth in this Memorandum.
 - ii) No portion of the income or property aforesaid shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to persons who, at any time, are, or have been, members of the Company or to any one or more of them or to any person claiming through any one or more of them.
 - iii) No remuneration or other benefit in money or money's worth shall be given by the Company to any of its members, whether officers or servants of the Company or not, except payment of out of pocket expenses, reasonable and proper interest on money lent; or reasonable and proper rent on premises let to the Company.
 - iv) No member shall be appointed to any office under the Company which is remunerated by salary, fees, or in any other manner not excepted by sub-clause (iii).
 - v) Nothing in this clause shall prevent the payment by the Company in good faith of reasonable remuneration to any of its officers or servants (not being members) or to any other persons (not being member), in return for any services actually rendered to the Company.
8. True accounts shall be kept of all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place, and of the property, credits and liabilities of the Company; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulation of the Company for the time being in force, the accounts shall be open to the inspection of the members. Once at least in every year, the accounts of the Company shall be examined and the correctness of the Balance Sheet and the Income and Expenditure account ascertained by one or more properly qualified auditor or auditors.
9. If upon winding up of or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any assets whatsoever the same shall not be paid to or

distributed amongst the Members of the Company but shall be given or transferred to some other institution having objects similar to the objects of the Company as may be determined by such Judge of the High Court of Judicature at Madras as may have or acquire jurisdiction in the matter.

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

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. Madurai Nayagam.
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 N.A. District	M. Madurai Nayagam	(Sd.) M. Madurai Nayagam
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
4.	M.S.A. Majid (Sd.) M.S.A. Majid	Partner, Aziz & Jalal, 34, 1 st Main Road, Gandhinagar, Chennai-20	Son of late M.A.Shaik Madar, Triplicane, Chennai.	M. Madurai Nayagam	(Sd.) M. Madurai Nayagam
5.	N. Ramaswamy (Sd.) N.Ramaswamy	General Manager, Handlooms Handicrafts & Handlooms Exports Corporation of Indian Ltd., Chennai-4.	Son of late P.R.Narayana Bhagavathar 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, Nandanam Extension, Chennai-35.	M. Madurai Nayagam	(Sd.) M. Madurai Nayagam
7.	M. Madurai Nayagam (sd.) M. Madurai Nayagam	Director, Regional Office of the Textile Commissioner, Coimbatore.	Son of late Havildar Maduri Shenbakkam, Vellore.	V. Rajagopalan Son of late V. Varadachariar No.15, Daivasigamani, Mudaliar Road, Chennai-14.	(Sd.) V. Rajagopalan

Chennai,

Dated: 4.5.1965.

Articles of Association

of

THE HANDLOOM EXPORT PROMOTION COUNCIL

INTERPRETATION

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) “Council” means the Handloom Export Promotion Council.
- (ii) “The Act or the said Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
- (iii) “member” means a member of the Council.
- (iv) “general meeting” means a general meeting of the members of the Council;
- (v) “Chairman” means the Chairman of the Council.
“Vice-Chairman” means Vice-Chairman of the Council.
- (vi) “Committee of Administration” or “Committee” means the Committee of Administration of the Council, constituted, as such, under these articles;
- (vii) “Secretary” means the Secretary of the Council and includes any officer of the Council performing secretarial functions;
- (vii) a “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.
- (viii) “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.
- (ix) “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.

- (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) “Government” means the Union Government or the State Government as the case may be.
- (xii) “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.
- (xiii) “Month” means a calendar month according to the English Calendar.
- (xiv) “Office” means the registered office for the time being of the Council.
- (xv) Person includes firm, Society and Corporations.
- (xvi) “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.
- (xvii) Words importing masculine gender also include feminine gender and neuter and words importing singular only include the plural number and vice versa.
- (xviii) “Writing” shall include printing, lithography and any other mode or modes of representing or reproducing words in visible form.
- (xix) Handloom fabrics/Made ups/Garments include Handloom blended Mixed Fabrics/Madeups/Garments.
- (xx) “clause” means an article forming part of these articles.
- (xxi) “auditors” means persons appointed, as such, for the time being, by the Council.
- (xxii) “extraordinary general meeting” means any general meeting of the meeting of the members of the Council; other than its annual general meeting.
- (xxiii) “Panel” means a panel of the Committee, constituted under these articles:

- (xxiv) “prescribed” means prescribed by the Committee, by virtue of a power conferred by these articles;
- (xxv) “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.
- (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) “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 small scale industry, the SSI Registration, the certificate issued by the Directorate of Industries of the State Government shall be conclusive.
- (xxviii) “Registered Textile Exporter” means a person who has been admitted as Registered Textiles Exporter by the Council under clauses 4 and 5.
- (xxix) “The Seal” means the common seal of the Council.
- (xxx) Words defined in the Companies Act.

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

- (xxxi) General Clauses Act to Apply.

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

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

2A. 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 as notified by the Central Government from time to time.

- 3 There shall be two classes of persons associated with the Council.
1. Registered Textile Exporters.
 2. Members.

Registered Textile Exporters are not members of the Council within the meaning of the **Companies Act 2013** and their names shall not appear in the Register of Members maintained under **Section 88 of the Companies Act**.

4(a) Any person

- (i) who is a handloom manufacturer or processor, exporter or miscellaneous manufacturer of handloom products and
- (ii) 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 a Registered Textile Exporter(RTE)

(b) RTEs are not members of the Council within the meaning of the Companies Act.

(c) RTEs shall have only such rights and privileges given below and none other namely:

- (i) the right to receive notices for the annual and extra ordinary general meetings of the Council.
- (ii) the right to receive the annual reports and accounts of the Council
- (iii) the right to receive such other information as the Committee may from time to time think fit.
- (iv) the right to attend and participate in annual and extra ordinary general meetings of the Council (including the right to ask questions therein)

(d) RTEs shall not have any right or privilege other than those set out in sub-clause (c) above.

In particular RTEs shall not have the right to requisition any general meeting of the Council, circulate statements or resolutions at any general meeting of the Council, vote at any general meeting of the Council and stand for or propose any person as candidate for the elections to the Committee.

(e) The number of members of the Council shall be unlimited.

5(a) Any person eligible to be admitted as an RTE and desirous of becoming an RTE shall send an application to the Secretary of the Council. The application shall be in the form prescribed and shall be accompanied by such documents as may be prescribed by the Committee from time to time. The Committee shall if it thinks fit call for further documents / evidence from the applicant.

- (b) The Committee shall ordinarily (without being bound to do so) take a decision on the application within 3 months from the date of submission of a properly completed application. The Committee may refuse any application without assigning any reason. The decision of the Committee shall be communicated to the applicant by the Secretary.
- (c) An applicant, on admission as an RTE 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.

6. MEMBER

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

- (i) he must have been an RTE for at least one year and
- (ii) he must have to his credit during the three consecutive financial years immediately preceding the financial year in which his membership is taken up for consideration by the Committee, exports of handloom products of not less than the amounts mentioned below:

(a) Applicants in the Small Industry sector

Total export turnover of at least Rs.20 lakhs for the three consecutive financial years referred above with an export turnover of at least Rs.5 lakhs per financial year.

(b) Other Applicants

Total export turnover of at least Rs.1 Crore for the three consecutive financial years referred above with an export turnover of at least Rs.25 lakhs per financial year.

- 7. The Committee may from time to time at intervals not exceeding 3 years enhance the turnover amounts set out in clause 6 above having regard to the development and growth of the handloom export sector.
- 8.(a) Any person eligible to be admitted as a member and desirous of becoming a member shall send an application to the Secretary of the Council. The application shall be in the form prescribed and shall be accompanied by such documents (including evidence of turnover) as may be prescribed by the Committee from time to time. The Committee shall, if thinks fit, call for further documents / evidence from the applicant.

- (b) The Committee shall ordinarily (without being bound to do so) take a decision on the application within 3 months from the date of submission of a properly completed application. The Committee may refuse any application without assigning any reason. The decision of the Committee shall be communicated to the applicant by the Secretary.
 - (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.
- 9.(a) A member shall pay such admission fee and annual subscription as may be determined by the Committee from time to time.
- (b) A RTE shall pay such admission fee and annual subscription as may be determined by the Committee from time to time.
 - (c) 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.
 - (d) Govt. Nominees shall not be required to pay any admission fee or annual subscription.
10. A list or register of members shall be kept in which shall be set-forth (i) the names and addresses of the members for the time being as also the names and addresses of the members' representative (ii) all changes in membership and / or representatives of members from time to time taking place shall be recorded (iii) the date at which each person entered in the register as member and (iv) the date at which any persons ceased to be a member.
- 10A Every member shall promptly 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.
11. Subject to Section 113 of the Act, a member of the Council, or an RTE 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.
- (i) The representative of a registered firm shall be any one of its partners and he shall be authorised by the registered firm with the consent of all the partners. In the case of Proprietary concern, the representative shall be Proprietor only.

- (ii) 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 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.
- (iii) The appointment of a representative shall be effective:
 - a) only on the expiration of seven days from date on which it is lodged with the Council.
 - b) 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.

12. Deleted.

13A TERMINATION OF RTE

- (1) A person shall cease to be an RTE 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 clause 13E 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 RTE (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 RTE concerned.

- l) on his resignation being accepted by the Committee

Explanations

- (i) A firm shall not cease to be a RTE merely by reason of any change in its constitution unless it is thereby dissolved.
 - (ii) If any individual representing a non-individual RTE suffers any disqualification mentioned above such individual shall cease to represent the RTE and the RTE 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 sub-clauses(a) to (g) [other than death under sub-clause (d)] the disqualification shall not take effect until the appeal is disposed of.
- (2) Upon the happening of any of the events set out in clauses 13A (1) (a) to (j) {other than death under sub-clause (d)} the Secretary to the Council shall issue a show cause notice to RTE/Representative concerned calling upon him to show cause why his RTE or his representation of the RTE, as the case may be should not be terminated. The show cause notice shall give the RTE/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 RTE/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 RTE/representative.
 - (3) The termination of the RTE/representative of the RTE 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.

13B TERMINATION OF MEMBERSHIP

- (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 clause 13E 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 is acting in derogation of the interests of the Council or its members 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 the Committee by a three-fourths majority deciding that the member has ceased to represent the commercial interest which he sought to represent.
- m) On his resignation being accepted by the Committee.

Explanations

- (i) A firm shall not cease to be a member merely by reason of any change in its constitution unless it is thereby 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 sub-clauses 13 B (i) (a) to (g) {other than death under sub-clause (d)} the disqualification shall not take effect until the appeal is disposed of.
- (2) Upon the happening of any of the events set out in clauses 13B (1) (a) to (j) {other than death under sub-clause (d)} the Secretary to the Council shall issue a show cause notice to the member/representative concerned calling upon him to show cause why his membership or his representation of the member, 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.

- (3) The termination of the member/representative of a 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.

13C(1) A member shall be converted to an RTE if for any financial year he does not fulfill the turnover requirements of a member set out below.

- (a) member in the Small Scale Industry sector

Total export turnover of at least Rs.20 Lakhs for the three consecutive financial years immediately before that financial year referred above with an export turnover of at least Rs. 5 Lakhs per financial year.

- (b) Any other member.

Total export turnover of at least Rs.1 Crore for the three consecutive financial years immediately before that financial year referred above with an export turnover of at least Rs. 25 Lakhs per financial year.

- (2) The Committee may from time to time at intervals not exceeding 3 years enhance the turnover amounts set out in sub-clause 1 above having regard to the development and growth of the handloom export sector.
- (3) Upon the happening of the aforesaid event set out in clauses 13C(1) 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 RTE. 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.
- (4) The conversion into RTE shall take effect from the date of the order of the Committee.

13D TRANSITIONAL PROVISIONS

- (1) Every person who is a member of the Council on the date of these amendments shall be converted to an RTE if he does not fulfill the turnover requirements of a member set out in clause 13C(1) within a period of three consecutive financial years commencing from (and inclusive of) the financial year in which these amendments to these Regulations have been made.
- (2) Upon the happening of the aforesaid event set out in clauses 13D(1) 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 RTE. 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/representative 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.

- (3) The conversion into RTE shall take effect from the date of the order of the Committee.

13E. FILING OF DECLARATIONS

Every member/RTE and representative of an RTE/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 member/RTE or representatives as the case may be continues to possess all the qualifications required for a RTE/member/representative as the case may be and has not suffered any disqualification.

13F. LIABILITY ON CEASING TO BE AN RTE/MEMBER

A person on ceasing to be an RTE/member and his estate, shall remain liable to the Council for all moneys which are due to the Council from him at the time of his cessation together with interest thereon at such rate not exceeding 15% p.a. as may be determined by the Committee.

- 14(a) **The election of Chairman of Council shall be via Vice Chairman route. The election to the post of Vice Chairman shall be through E-Voting or such other modes as may be prescribed to the Council under the Foreign Trade Policy from time to time and shall determine the period for which they shall hold office. The Vice Chairman may be an elected member/a Government nominee or a co-opted member.**

- (b) The Chairman and Vice-Chairman shall normally hold office for a period of 2 years. No person shall hold office as Chairman for more than two full terms. No person shall hold office as a Vice-Chairman for more than two full terms.
- (c) **Any member having held the post of Chairman or Vice Chairman may come back as Vice Chairman in the same council after a gap of not less than 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) The Chairman and Vice-Chairman shall cease to hold office forthwith on their ceasing to be a member or a Committee member for any reason.
- (f) The Vice Chairman so elected shall become the Chairman and will have tenure as prescribed, unless he declines to accept the post of Vice Chairman or he is removed from the post of Vice Chairman by a no-confidence vote of not less than the two-thirds of Executive Members and the such resolution regarding no confidence will have to be put to vote in the same pattern of direct elections as followed during the time of election to the post of Vice Chairman.**
- (g) All members, fulfilling the minimum requirement of exports, as prescribed by the Council would be eligible to vote for the post of Vice Chairman.**
- (h) E-voting for the post of Vice Chairman should be done by all members eligible to vote, irrespective of sub-divisions of Panels.**
- (i) In the event of the post of Vice – Chairman falling vacant due to any of the circumstances, the post shall be filled up as prescribed above**

15 GENERAL MEETING

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:
 - i) A balance sheet and an income and expenditure account shall be presented.
 - ii) Receive and pass the annual report of the committee and the audited

- accounts of the Council.
- iii) To elect the members of the Committee, who are liable to retire by rotation.
 - iv) To appoint auditors and fix their remuneration; and
 - v) To transact such other business which under these rules ought to be or may be transacted at an Annual General Meeting including such business as the Committee may deem necessary.

Notwithstanding anything contained in this article the first Committee shall be nominated by the Government of India for a period of three years.

- (d) Deleted
- (e) All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings.

16 Extraordinary General Meeting

- (1) The Committee may whenever it thinks fit call an Extraordinary General Meeting.
 - (2) 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.
- 17 a) The Committee shall, on the requisition 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.
- b) The requisition shall set out all the matters for consideration of which the meeting is to be called and shall be signed by the requisitioners and shall be deposited at the registered office of the Council.
 - c) The requisition may consist of several documents in like form to be signed by one or more requisitioners.
 - d) Where two or more distinct matters are specified in the requisition the provisions of sub-clause (a) 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.
 - e) 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.

- f) A meeting called under Sub-clause (e) 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.
- g) 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.

18 NOTICE OF MEETING

- (a) A General meeting of the Council may be called by giving not less than **clear fourteen days** notice in writing.
- (b) (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.

19. 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 general meeting, Annual or Extraordinary shall be competent to enter upon, discuss, or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened.

20. 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.

21. 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.
22. 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.
23. 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.
24. 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.
25. **PROCEEDINGS AT MEETINGS OF THE COUNCIL**

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.
26. 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.
27. 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, whatever the number, 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.

28. The Chairman of the Council shall be entitled to take the chair at every general meeting or if there be no such Chairman 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 members of the Committee present may choose a Chairman and in default of their doing so the members present shall 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 members present shall choose one of their number to be Chairman.
- 29(a) No business shall be discussed at any general meeting whilst the Chair is vacant.
30. 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.
31. 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.
- 32(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 any member or members present in person or by proxy and having not less than one tenth of the total voting power in respect of the resolution.
 - (b) A declaration by the Chairman in pursuance of Clause 32(a) 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 scrutineers to scrutinise 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 scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause. Of the two scrutineers 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.
 - (j) **Where Voting is through electronic means, the Executive Committee shall appoint one or more scrutinisers, who shall be a Chartered Accountant/Cost Accountant/Company Secretary in practice or an Advocate or any other person who is not in employment of the council and is a person of repute who, in the opinion of the Council can scrutinize the voting and remote e-voting process in a fair and transparent manner.**
- 33.
- a) At any meeting of the Council the voting rights shall be confined to regular members only and to none else.
 - b) Every regular member shall have one vote.
 - c) 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.
 - d) No member shall be entitled to vote at any general meeting unless all monies presently payable by him to the Council have been paid.
 - e) On a poll, votes may be given either personally or by proxy.
 - f) 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 need not 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.

- g) The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarially 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.
- h) An instrument appointing a proxy shall be valid only if it is in the form prescribed hereunder or in any of the forms set out in Schedule IX of the Act.

HANDLOOM EXPORT PROMOTION COUNCIL

I/We.....of.....being a member of the HEPC hereby appoint.....of.....or failing him.....of.....as proxy to vote on my/our behalf of the Annual / Extraordinary General Meeting of the Council to be held on the.....date of.....and any adjournment thereof.

This proxy form is to be issued in favour of/against the Resolution No....unless otherwise instructed the proxy will vote as he thinks fit.

Signed at this.....date of.....

- i) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
 - j) A vote given in accordance with the terms of an instrument proxy shall be valid notwithstanding the previous death of 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.
34. 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.
35. Deleted.

36a) The Committee shall consist of not more than 23 members of whom, 18 shall be elected members, 3 shall be Central Government nominee members and 2 shall be additional members co-opted by the committee.

b) The Central Government nominee members shall consist of the Development Commissioner for Handlooms and two other persons nominated by the Central Government from time to time, one of whom shall be appointed as Executive Director of the Council. The Central Government may from time to time remove or replace all or any of the Central Government nominee members. The Central Government nominee members shall not be subjected to retirement by rotation and shall not be required to pay any subscription to the Council. The Executive Director shall be an intrinsic part of the Committee of the Administration/Executive Committee of the Council **with full voting rights**.

c) The remaining 18 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/Lunghies/ RMHK	-	2
2. Handloom Floor coverings	-	4
3. Handloom Made-ups	-	10
4. Others including handloom clothing accessories		2

Total	-	18

The election of committee members shall be by e-voting or such other modes as may be notified by Foreign Trade Policy or Ministry of Textiles from time to time.

d) A person shall be eligible to seek election to the Committee in respect of any of the product group specified in clause 36(c) at a general meeting only if he fulfils the following conditions:

(i) he must be admitted as a member prior to the date of the general meeting in which the elections are to be held.

(ii) he must have to his credit during the three consecutive financial years immediately preceding the financial year in which the general meeting for the election is held exports of handloom products of not less than the amounts mentioned below:-

A candidate in the Small Scale Industry Sector

Total export turnover of at least Rs.50 lakhs for the three consecutive financial years referred above with an export turnover of at least Rs.10 lakhs per financial year.

Any other Candidate

Total export turnover of at least Rs.2 crores for the three consecutive financial years referred above with an export turnover of at least Rs.40 lakhs per financial year.

(iii) the turnover of the product group in respect of which the person desires to contest for election should be not less than 51% of the turnover given in sub-clause

(iv) Deleted

(v) he should otherwise be eligible under these regulations to contest for elections.

e) Not less than two thirds of the total number of Committee members shall:

(a) be persons whose period of office is liable to determination by retirement of Committee members by rotation and

(b) save as otherwise expressly provided in the Act, be appointed by the Council in general meeting.

37(a) All the Committee members other than the Central Govt. Nominee members shall be committee members who are liable to retire by rotation. At every Annual General Meeting, one third of such of the committee members for the time being as are liable to retire by rotation or if their number is not three or multiple of three then the number nearest to one third shall retire from office.

(b) The members of the Committee to retire at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become members of the committee on the same day those who are to retire shall in default and subject to any agreement amongst themselves be determined by lot drawn by the committee.

(c) A retiring member of the Committee shall retain office until the dissolution of the meeting at which his reappointment is decided or his successor is appointed.

(d) A retiring member of the Committee shall be eligible for re-appointment.

(e) Deleted

(f) The Committee shall frame rules with regard to all matters relating to the election of the Chairman, the Vice-Chairman, and the members of the Committee who are liable to retire by rotation, provided that the rules shall not be altered except with three-fourths majority at a special meeting convened for the purpose.

(g) A person who is not a retiring Committee member and who is otherwise eligible to be elected as a committee member shall, subject to the provisions of the Act, be eligible for appointment to the office of a committee member at any general meeting, if he or some member intending to propose him, has not less than fourteen days before the meeting, left at the office of the Council a notice in writing under his hand signifying his candidature for the office of committee member or the intention of such member to propose him as a candidate for that office as the case may be along with the deposit of such sum as may be prescribed under the act or by any other authority which shall be refunded to such person or, as the case may be, **to the member, if the person proposed gets elected as a Committee member or gets more than twenty-five per cent of total valid votes cast on such resolution.**

However the deposit of such amount is not required if election of committee member is by way of ballot/E-voting. Notwithstanding anything contained elsewhere in these regulations, election of committee members shall be by way of e-voting or such other modes as may be notified to the Council by the Foreign Trade Policy from time to time.

- (h) The Council shall inform its members of the candidature of a person for the office of Committee member or the intention of a member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Council to serve individual notices upon the members as aforesaid if the Council advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the registered office of the Council is located, of which one is published in the English language and the other in the regional language of that place.

- 38. (i) At the Annual General Meeting at which a Committee members retires as aforesaid, the Council may fill up the vacancy by appointing the retiring Committee member or some other person thereto.

- (ii) 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.

- (iii) 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

- (a) 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;

- (b) 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.

- (c) He is not qualified or is disqualified for appointment.

- (d) A resolution, whether special or ordinary, is required for his appointment or reappointment in virtue of any provisions of the Act;

- 39. Deleted

- 40 (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 any thing 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 of 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.

41 (i) 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.

(ii) 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.

42(1) Notwithstanding the provisions of Clause 36 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.

- (2) 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.
- (3) **In respect of additional 2 members co-opted by the Committee, the tenure will be as follows;**
- (i) 2 years (i.e. upto 2nd AGM) in case such members are immediate two past Chairmen**
 - ii) 1 year at a time (i.e upto the next AGM) in case of other members.**

42A SPECIAL INVITEES

- (1) 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, sub committee or panel as the case may be but may participate in the discussions if specifically invited to do so.
- (2) Special Invitees are not entitled to reimbursement of traveling or other expenses or to any remuneration or allowance for attending the meetings.

43 Deleted.

44A(i) 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;

- (ii) Nothing contained in sub-clause (i) shall affect

(a) 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

(b) 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.**

- (iii) 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
- (iv) 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
- (v) If consent is not accorded to any contract under this clause any thing done is pursuance of the contract shall be violable at the option of the Committee.

44B(1) Every Committee member who is any way, whether directly or indirectly concerned or interested in a contract mentioned in clause 44A (i) and (iii) shall disclose the nature of his concern or interest at a meeting of the Committee.

- (2) (a) 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.

(b) In the case of any other contract, the required disclosure shall be made at the first meeting of the Committee held after the committee member becomes concerned or interested in the contract.

- (3) (a) 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.

(b) 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.

(c) 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.

44C 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.

44 D 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 percent 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.

45. The affairs of the Council shall be managed by the Committee and in addition to the powers and authorities by the Act or by these regulations expressly conferred upon it may exercise all such powers and do all such acts and things as shall be the Act or by these regulations directed or authorized to be done by the Council as a company limited by guarantee and which are not these Regulations or by the Act expressly directed or required to be exercised or done by the Council, in general meeting subjected nevertheless as the said acts and things are not regulated by the Act or by these Regulations all such regulations or directions as may from time to time be determined upon or given at any general meeting of the Council provided that no such regulation or direction shall invalidate any prior act of the Committee which would have been valid if that regulation or direction had not been made or given.
- 45a. Deleted.
46. 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.

47 (1) The Committee shall hold at least one meeting within every six calendar months.

(2) The Committee may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. 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.

(3) A Committee member may and the Secretary on the requisition of the Chairman, Vice Chairman or Committee member shall at any time, summon a meeting of the Committee.

(4) 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.

(5) 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.

(6) Notice of every meeting of the Committee shall be given in writing at least four 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.**

(7) 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.

48. Deleted.
49. The quorum for the Committee meeting shall be either eight members or one fourth of its total strength which ever is less provided the quorum shall not be less than two members in any case.
50. The Chairman shall preside at all meetings of the Committee. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Committee members present may choose one of their members to the Chairman of the meeting.

Question arising at any meeting of the Committee shall be decided by a majority of votes and in case of an equality of votes the Chairman of the meeting (whether the Chairman or Vice-Chairman or the Chairman presiding at such meeting) shall have a second or casting vote.

51. An Annual Report of the proceedings of the Committee shall be prepared and circulated for the information of the Members of the Council at least fourteen days prior to any general meeting of the Council.
52. The Committee may delegate any of their powers to Sub-committees 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 Committee either wholly or in part and either as to persons or purposes but every sub-committee 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 Sub-Committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Committee.
- 53 (1) 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).
- (i) Between the Council and any one or more of the members and or the RTE's.
 - (ii) Between anyone or more of the members and the RTE's.
 - (iii) Between the RTE's inter-se or
 - (iv) Between the members inter-se

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

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

54. The meetings and proceedings of any such sub-Committee 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 superceded by any regulations made by the Committee under the last preceding Regulations.
- a) A resolution passed by circular without a meeting of the Committee or a sub-committee appointed by a Committee under Regulations 46 shall subject to the provision of Sub-clause (b) hereof be as valid and effectual as a resolution duly passed at meeting of the Committee or Sub-Committee duly called and held.
- b) A resolution shall be deemed to have been duly passed by the Committee or by a Sub-Committee thereof by circulation if the resolution has been circulated in draft together with the necessary papers if any, to all the members of the Committee or to all the members of the Sub-Committee then in India (not being less in number than the quorum for a meeting of the Committee or a Sub-committee as the case may be) and to all other members of the Committee or Sub-committee at their usual address in India and has been approved by such of the members of the Committee or Sub-committee as are then in India or by a majority of them.
55. Deleted.
56. All acts done by any meeting of the committee panel, or by a sub-committee 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.
- 57(a) (i) 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 sub committee 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.
- (ii) Each page of every such book shall be initialed or signed and the last page of the record or proceedings of each meeting in such books shall be dated and signed:
- (a) 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
- (b) 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.

58 ACCOUNTS

The Committee shall cause to be kept proper Books of Account with respect to:

- a) All sums of money received and expended by the Council and the nature in respect of which the receipts and expenditure take place;
- b) All sale and purchase of goods by the Council.
- c) The assets and liabilities of the Council.

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.

59. 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 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.
60. 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.
61.
 - i) At every annual general meeting of the Committee, the Committee shall lay before the Council;
 - a. the balance sheet as at the end of the financial year.
 - b. An income and expenditure account.
 - ii) The income and expenditure accounts shall relate:
 - a) 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;
 - b) 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.

62. a) 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.
- b) 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.
63. 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.
64. i) Every Balance sheet and Income and Expenditure Account of the Council shall be signed on behalf of the Committee by the Chairman.
- ii) 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. Fullest 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 being in addition and separate from the report specified under Article 51 hereof shall be signed by the Chairman on behalf of the Committee.
65. 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.
- 66. 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.**

67. MAINTENANCE AND PUBLICATION OF ACCOUNT AND AUDIT

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 with the concurrence of the Union Government.

68. The remuneration of the Auditors shall be fixed by the Council at a General Meeting with the concurrence of the Union Government.

69. 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.

70. 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,

i) In the case of Balance sheet the state of Council's affairs as at the end of the financial year; and

ii) In case of Income and Expenditure Account of the income or excess expenditure for its financial year.

71. The Auditor's Report shall also state:

a. Whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purpose of Audit.

b. 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.

c. 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.

- d. 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.

72. 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.

72A ALLOWANCES FOR COMMITTEE MEMBERS

(1) No remuneration (other than travelling allowances for attending the committee meeting to the extent provided in the clauses below) shall be paid to any committee member (including the Chairman and Vice Chairman) for attending committee, sub-committee or panel meetings.

(2) A Committee member shall be reimbursed actual travelling expenses incurred by them for attending only committee meetings subject to the maximum limits given below.

- (i) Economy class air fare for air travel
- (ii) First class AC fare for travel by train
- (iii) Central Govt. rates in force applicable to non-official members on various Central Govt. Committees for travel by road.

(3) A committee member is entitled to reimbursement of travelling expenses alone and is not entitled to reimbursement of boarding, lodging and other incidental expenses incurred by him for attending the committee meeting.

(4) A committee member shall not be entitled to reimbursement of any expenses (including but not limited to travelling boarding lodging and other incidental expenses) incurred by him for attending sub-committee, panel or General Meeting.

72 B OTHER DOMESTIC TRAVEL

(1) A committee member is entitled to reimbursement of travelling expenses incurred by him for travel in pursuance of 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) Except as provided in clauses 72 (A) & (B), a committee member is not entitled to reimbursement of travelling expense or other expenses incurred by him for any other domestic travel including but not limited to travel as part of an official or non-official delegation for the purposes of the Council.

72 C OVERSEAS TRAVEL

(1) 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

(a) reimbursement of air fare actually incurred by him subject to a maximum of business / club class air fare and

(b) 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.

(2) (a) 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 air fare without any other allowances or reimbursements.

(b) a Committee member shall not be entitled to any such reimbursement if he or a member whom he represents is in receipt of Market Development Assistance (MDA) from the Central or State Government for such overseas travel.

(c) if the Council has received Institutional MDA grants from the Central Government the total air fare reimbursed by the Council under this clause of any financial year shall not in any event exceed the institutional MDA grants received during that financial year.

72D (1) Travelling expenses and other reimbursements under clause 72(A) to (C) shall be reimbursed only on production of receipts or other documentary proof of expenditure.

(2) A committee member is not entitled to any allowance / reimbursement for domestic or overseas travel except as provided in clauses 72(A) to (D).

73. BUDGET ESTIMATES AND SUPPLEMENTARY ESTIMATES

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.

74(1) The Budget shall be in such form as the Council may direct and shall include a statement of:

- a. the estimated opening balance,
- b. the estimated receipts,
- c. 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.

2) The proposed expenditure under each major head shall be further classified under the following sub-heads:

- i) Pay of Officers;
- ii) Pay of Establishment;
- iii) Allowances, honoraria etc and
- iv) Other charges, contingencies etc.

75. 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.

76. POWER TO INCUR EXPENDITURE

Subject to the provisions of the Articles and the rules framed there under, the Council may incur such expenditure as it may think fit and write off any sums and may delegate to the Committee or to the Chairman or Secretary or Assistant Secretary of the Council such financial powers as it may consider expedient.

77. 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.

78. CUSTODY AND DISBURSEMENT OF FUNDS

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

a) The current account of the Council shall be kept in a Bank chosen by the Council and approved in this behalf by the Union Government and all moneys at the

disposal of the Council, with the exception of petty cash and imprest, shall be paid into such account; and

b) The funds not required for current expenditure may be placed in fixed deposit with any bank chosen by the Council and approved in this behalf by the Union Government or in any security in which trust property may lawfully be invested under Indian trusts, Act; 1882.

79. APPOINTMENT OF SECRETARY, OFFICERS AND OTHER SERVANTS.

There shall be an Executive Director, a secretary, and such other officers as may be determined from time to time by the Council. Executive Director shall be appointed by the Committee.

80. All posts of officers and staff of the Council be created and all appointment to such posts shall be made by the Committee.

81. The Secretary 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.

82. The other officers of the Council shall devote themselves entirely to such business and affairs of the Council as may be assigned to them by the Executive Director.

83. 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 Executive committee shall perform the functions of the Secretary.

84. The Committee may in respect of the Executive Director and other officers and staffs of the Council make bye-laws to regulate:

a) the conditions of services

b) the appointment, promotion and dismissal

c) the grant of pay, leave, allowance, pensions, gratuities and compassionate allowance.

- d) the establishment and maintenance of Provident Fund
- e) terms of deputation of the Council's employees to other organizations
- f) the duties assigned to each office.

84(a) Notwithstanding anything containing in these rules/regulations/byelaws, the union/ Central Government may from time to time, issue such directions or instructions as may be considered necessary in regard to the **promotion and development of International trade**, finances, conduct of business and affairs of the Council. The Council shall give immediate effect to the directions or instructions so issued. In particular, the Union/Central Government will have the power.

(i) To give directions to the Council as to the exercise and performance of its functions in matters involving national security or public interest and to ensure that the Council gives effect to such directions.

(ii) To call for such reports returns and other information with respect to the property and other activities of the Council as may be required from time to time.

(iii) To approve Council's revenue and capital budget (i.e.) the revised Estimates and Budget Estimates and

(iv) To approve agreements involving foreign collaboration if any proposed to be entered into by the Council

(b) In the event of Council failing to give immediate effect to such directions or instructions, the Union / Central Government is entitled to withdraw its support and aid to the Council and / or take any other action it deems fit and proper against the Council.

85. (i) The Committee shall provide a common seal for the Council

(ii) 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.

86. 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 dulyexecuted.

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

88. Subject to provision of section 197 of the Act, no member of the committee or a sub committee thereof, Secretary or other officer of the Council or any person employed as an auditor shall be liable (otherwise, save as mentioned in section 197 of 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 sub committee 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.

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

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. Madurai Nayagam.
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 N.A. District	M. Madurai Nayagam	(Sd.) M. Madurai Nayagam
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
4.	M.S.A. Majid (Sd.) M.S.A. Majid	Partner, Aziz & Jalal, 34, 1 st Main Road, Gandhinagar, Chennai-20	Son of late M.A.Shaik Madar, Triplicane, Chennai.	M. Madurai Nayagam	(Sd.) M. Madurai Nayagam
5.	N. Ramaswamy (Sd.) N.Ramaswamy	General Manager, Handlooms Handicrafts & Handlooms Exports Corporation of Indian Ltd., Chennai-4.	Son of late P.R.Narayana Bhagavathar 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, Nandanam Extension, Chennai-35.	M. Madurai Nayagam	(Sd.) M. Madurai Nayagam
7.	M. Madurai Nayagam (sd.) M. Madurai Nayagam	Director, Regional Office of the Textile Commissioner, Coimbatore.	Son of late Havildar Maduri Shenbakkam, Vellore.	V. Rajagopalan Son of late V. Varadachariar No.15, Daivasigamani, Mudaliar Road, Chennai-14.	(Sd.) V. Rajagopalan

Chennai,
Dated: 4.5.1965