



# **Carpet Export Promotion Council**

(Set up by Ministry of Textiles, Govt. of India)

**CIN : U17222UP1982NPL005557**

## **MEMORANDUM AND ARTICLES OF ASSOCIATION & ELECTION RULES**

(As Amended upto 24<sup>th</sup> November- 2020)



FORM I.R.

CERTIFICATE OF INCORPORATION

NO. 5557 of 1982

I hereby certify that CARPET EXPORT PROMOTION COUNCIL is this day incorporated under the Companies Act, 1956(No. 1 of 1956) and that the Company is limited.

Given under my hand at KANPUR this 12th day of February One thousand nine hundred and eighty two.

23rd Magha 1902 (S.E).

Sd/-  
**(V.P. KAPOOR)**  
Registrar of Companies, U.P.  
KANPUR.

**ASSOCIATION NOT FOR PROFIT**  
***(Company Limited by Guarantee)***

**Memorandum of Association**  
**of**  
**Carpet Export Promotion Council**

1. The name of the Council shall be **CARPET EXPORT PROMOTION COUNCIL** hereinafter called as “CEPC”.
2. The Registered Office of the Council shall be situated in the State of Uttar Pradesh.
3. The objects for which the Council is established and which shall extend to every country in the world, are:
  - A. Main objects to be pursued by the Company on its incorporation to support, protect, maintain, increase and promote the export of hand knotted carpets, woollen druggets and floor coverings by such methods as may be necessary or expedient.

**Objects Ancillary or Incidental to the attainment of Main Objects :-**

- (i) To do any or all of these for the attainment of main objects:
  - (a) To undertake market studies in foreign countries regularly as well as on adhoc basis.
  - (b) To send out trade delegations/sales-cum-study teams to foreign countries.
  - (c) To appoint representatives or correspondents in foreign markets for the purpose of continuing and regularly reporting trends in prices, market and preferences and other allied matters.

- (d) To conduct publicity campaign regularly and continuously so as to keep Indian hand-knotted carpets before the eyes of public overseas and bring home the advantages of buying hand-knotted carpets and other floor coverings from India.
- (e) To collect statistics and other information regarding the manufacture or trade in handmade carpets and floor coverings manufactured in various countries.
- (f) To act as Registering Authority, if so decided by Government.
- (g) To propagate information useful to the manufacturer, exporter and trader in handmade carpets and floor coverings by seminar lectures, discussions, books, correspondence or otherwise.
- (h) To lay down standards of quality and packing in respect of handmade carpets and floor coverings intended for export.
- (i) To maintain liaison with any organizations which may be set up for inspection in handmade carpets and floor coverings intended for export, if considered necessary.
- (j) To depute the officers of the Council to witness the survey of handmade carpets and floor coverings manufactured, 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 hand-knotted carpets and floor coverings manufactured.
- (k) To enquire and investigate into complaints received from foreign importers or Indian exporters in respect of the quality, description or other particulars of handmade carpets and floor coverings manufactured and 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.
- (l) To make recommendations as may be necessary or expedient to Government and Public Bodies like Chambers of Commerce where the Council on investigation of a complaint

received by it, is satisfied about its genuineness and is convinced that it has been caused by the wilful or negligent acts of the manufacturer or the exporter of the manufacturers, as the case may be.

- (m) To act as arbitrators or nominate arbitrators or valuers in the settlement of disputes and differences arising out of the transactions relating to the exports of handmade carpets and floor coverings between parties who agree to refer their disputes to the Council; and
  - (n) To communicate with Chambers of Commerce and other Mercantile and Public Bodies throughout India and abroad for the protection and advancement of the export of handmade carpets and floor coverings.
- (ii) To enunciate just, equitable principles to govern the trade in handmade carpet and floor coverings and to set up a code or codes of practices for the general guidance of exporters and manufacturers and further to simplify transactions relating to the export of handmade carpets and floor coverings.
  - (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 measures for maintaining or increasing the export of handmade carpets and floor coverings.
  - (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 handmade carpets and floor coverings.
  - (v) To construct, purchase, hire or otherwise acquire and maintain suitable building, apartments, furniture and other fittings in any

country for the establishment of show-rooms, export or other agencies for publicity for the purpose of achieving any of the objects for which the Council is established.

- (vi) To establish and maintain museums, collections, libraries and compilations of literature and to translate, compile, collect, publish, lend, purchase or sell any literature connected with the trade and commerce relating to handmade carpets and floor coverings.
- (vii) To prepare, edit, print, publish, issue, acquire and circulate books, papers, periodicals, gazette, circulars and other literature treating or bearing upon the industry, trade or commerce pertaining to handmade carpets and floors coverings.
- (viii) To acquire, purchase, or take on lease land, building or other moveable or immoveable property which the Council may from time to time deem it necessary to acquire, purchase or take on lease.
- (ix) To sell, manage, develop, exchange, loan, sub-let, mortgage, dispose off, turn to account or otherwise deal with all or any part of the property of the Council, except that purchased with the Government grants which will be disposed off according to Government instructions.
- x) To enter into contracts.
- (xi) To draw make accept, endorse, discount and execute negotiable instruments.
- (xii) To invest the moneys of the Council in any bank approved in this behalf by Government.
- (xiii) To subscribe or become a member of and co-operate with any other Council whether incorporated or not.
- (xiv) To do all such other acts as may be conducive for the maintenance and increase of the export and trade and commerce in handmade carpets and floor coverings or incidental to the attainment of the above objects or any of them. Provided that the Council shall not support or

impose any regulations or restrictions on any objects of Council which would make it a trade union.

- (xv) To obtain from members of the Council and to prepare for the Council as a whole, action plan for promotion of exports, development of export markets, generation of production for exports, setting of export targets generally and in relation of specific countries and commodities on an annual basis and for such medium and longer terms as may be considered desirable and to ensure/undertake execution of such plans.

## **Other Objects**

**Nil**

4. The Objects of the Council would extend to the whole of India and the entire world subject to Government policy in force from time to time.
5. 1. The income and property of the (Company) Council, where-so-ever derived, shall be applied solely for the promotion of its objects as set forth in this Memorandum.
2. No portion of the income or property aforesaid shall be paid or transferred directly, by way of dividend, bonus or otherwise by way of profit, to persons who, at any time are, or have been members of the Company or to any one or more of them or to any persons claiming through any one or more of them.
3. Except with the previous approval of the Central Government, no remuneration or other benefit in money or money's worth shall be given by the Council (Company) to any of its members, whether officers or servants of the Council (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 Council (Company).
4. Except with the previous approval of the Central Government, no member shall be appointed to any office under the Company which is remuneration by salary, fees or any other manner not accepted by sub-clause (3).



5. Nothing in this clause shall prevent the payment by the Company in good faith of reasonable remuneration to any of its officers or servants (not being members) or to any other person (not being a member), in return for any service actually rendered to the Company.
6. Any addition, alteration, modification or removal of any clause in these Memorandum of Association and Rules and Regulations or dissolution of the Council shall not be made except by the Council in General Meeting and shall become operative only if and after the Government of India in the Ministry of Commerce/Textiles and the Regional Director, Company Law Board, approve the same in writing.
7. The liability of the member is limited.
8. Each member undertakes to contribute to the assets of the Company in the event of its being wound-up while he is a member or within one year afterwards for payment of the debts or liabilities of the Council contracted before he ceases to be a member and of the costs, charges and expenses of winding-up and for adjustment of the right of the contributories among themselves such amount as may be required not exceeding a sum of Rs. 100/-(Rupees one hundred) only.
9. True account 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 Council (Company); and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Council (Company) for the time being in force, the accounts shall be opened 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.
10. If upon winding-up or dissolution of the Company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company having object similar to the objects of this Company, to be determined by the members of the Company at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

# **ASSOCIATION NOT FOR PROFIT**

*(Company Limited by Guarantee)*

## **Articles of Association of Carpet Export Promotion Council**

1. In these Articles, unless there is something in the subject or context in consistent therewith:-

"Council" Means the Council called "Carpet Export Promotion Council";

" Council Member" means member of the Council for the time being;

"Associate Member" means member of the Council without voting right;

"General Meeting" means the General Meeting of the Council;

"Chairman" means the Chairman of the Council for the time being;

"Committee" means the Committee of Administration of the Council for the time being constituted under these Articles;

"Rules" means the Rules of the Council for the time being in force made under or in pursuance of these Articles for the time being or by virtue of any enactment;

"Annual General Meeting" means a General Meeting of the members of the Council held in accordance with these Articles;

"Extraordinary General Meeting" means an Extraordinary General Meeting of the members of the Council duly called and constituted and any adjourned meeting thereof;

"Month" means the calendar month;

"Office" means the Registered Office for the time being of the Council;

“Executive Director-cum-Secretary” means the Executive Director-cum-Secretary to the Council for the time being and includes any person acting as such or appointed to perform the duties of the Executive Director-cum-Secretary temporarily;

"Government" means the Union or State Government as the case may be; and

"Year" means the financial year, April 1st to March 31st .

## **MEMBERS**

2. The number of members of the Company with which it purports to be registered, shall be unlimited.
3. The Council may from time to time frame such rules and regulations and/or bye-laws;
  - (a) as may be necessary generally for admission of members to the Council who shall be persons, firms, joint stock companies or other corporations engaged in the manufacture, production, processing, conversion, purchase or sale of hand-knotted carpets and/or other floor coverings for export or representatives of such firms, joint stock companies or corporations interested in the export of hand-knotted carpets and floor coverings and further to determine the representation to the Council to be granted to industrial, commercial or public bodies and specifying the period for which they shall be continued as members;
  - (b) under and in conformity with any statutory provisions for the time being in force, regulations and/or bye-laws as may be considered in the interest of or conducive to the objects of the Council and the Council may in like manner at any time and from time to time rescind or alter or add to any of the rules, regulations and/or bye-laws and no rescission or alteration of and addition to Memorandum of Association unless passed by Special Resolution and approved by the Government in the Ministry of Commerce/Textiles.
4. There shall be the following Class of Members of the Council;
  - (i) Council Members;
  - (ii) Associate Members;

5. Definition of Members:

- (a) Council Members : Any person, firm, joint stock company or other corporation engaged in the business of export of handmade carpets, and/or other floor coverings as manufacturer exporter or merchant exporter shall be eligible for enrolment in their individual, convention or corporate name as Council Members.
- (b) Associate Members: Any person, firm, joint stock Company or other corporation engaged in the production, manufacture, processing, conversion, purchase or sale of handmade carpets and/or floor coverings for export shall be eligible for enrolment in their individual, conventional or corporate name as Associate Members.

**Explanation**

Whereas all exporters shall have the right to become Council Member but the membership of the Committee of Administration should be on the basis of export performance of Rs. 25.00 lakhs (Rupees Twenty Five lakhs) in any one of the 3 years preceeding the date of nomination.

- 6. All applications for membership whether Council or Associate shall be submitted to the Executive Director-cum-Secretary along with prescribed Entrance and Annual Membership Fee and the Secretary is authorized to accept the application for enrollment of a Member.
- 7. On receipt of any such application, the Executive Director-cum-Secretary of the Council shall submit the same to the Committee at its next meeting or to any Sub-Committee appointed by its for the same purpose of consideration and approval. The Committee shall proceed to decide whether such applicant should be admitted to membership or not. The decision of the Committee shall be final and binding on all concerned and shall not be questioned by any person.
- 8. Deleted.
- 9. If the Committee rejects any application, the Executive Director-cum-Secretary shall notify the applicant of such rejection. If rejected applicant applies again within one year of the date of rejection, the Committee shall not be bound to consider or decide upon his application.

10. On any applicant being admitted to membership, as aforesaid, he shall be entitled to be furnished with a copy of the Memorandum and Articles of Association and Election Rules of the Council, for the time being in force, on request.
11. Any member wishing to resign from the Council shall give to the Executive Director-cum-Secretary a notice in writing of his intention to resign and until such notice is given and until the expiry thereof, he shall be deemed to continue to be a member and shall be liable to pay his Annual Fee and all other dues, if any, to the Council. No Fees shall be refunded to a member resigning as aforesaid. Such resignation shall also not affect any liability of the member to contribute to the assets of the Council as provided in the Memorandum of Association. Notwithstanding anything to the contrary contained hereinabove, the Secretary may refuse to accept the resignation of a member unless and until all arrears of subscription and any other sums which may be due by the member to the Council, have been paid. Executive Director-cum-Secretary may accept re-admission of a member on payment of Entrance Fee and arrears of Membership Fee payable.
12. Apart from and without prejudice to any other rights and privileges conferred on Council Members either by the Memorandum of Association or by these Articles, Council Members shall have the following rights and privileges :
  - (a) To stand for and vote for election of members to the Committee;
  - (b) The right of requisition as mentioned hereinafter to call a Meeting of the Council;
  - (c) The right to receive the Annual Report of the Committee;
  - (d) The rights to receive publications of the Council on terms fixed by the Committee from time to time.
13. Apart from and without prejudice to any other rights conferred on Associate Members either by the Memorandum or Articles of Association of the Council, Associate Members shall have the following rights and privileges:
  - (a) The right to attend General Meeting as observers but not to vote thereat;

- (b) the right to receive the Annual Report of the Council subject to such regulations as the Committee may make from time to time.
- (c) the right to receive publications of the Council on terms and conditions fixed by the Committee; and
- (d) the right to use all such facilities as may be made available to such members from time to time on the conditions laid down by the Committee.

### **MEMBERSHIP SUBSCRIPTION**

14. All Council members other than Government Nominees will have to pay w.e.f. 1st April, 2016 an Entrance Fee of Rs. 2,000.00 (one time) and Annual Membership Subscription in the following slabs on the basis of their export performance during the last preceeding year of the date of application:

<b>S. No</b>	<b>Particulars</b>	<b>Amount of Annual Membership Subscription in Rupees</b>
i	Export performance up to Rs. 50.00 lakhs	2,000.00
ii	Export performance above Rs. 50.00 lakhs & up to Rs. 1.00 Crore	3,000.00
iii	Export performance above Rs. 1.00 Crore & up to Rs. 10.00 Crores	5,000.00
iv	Export performance above Rs. 10.00 Crores	10,000.00

**All Associate Members** will have to pay an Entrance Fee of Rs. 500/- and Annual Subscription of Rs. 500/-.

However, the Council may revise Entrance Fee and Annual Subscription from

time to time. All Annual Subscription would be appropriated for the financial year in which they are paid in the beginning irrespective of the fact that portion of the financial year has already passed viz; the full Subscription will be appropriated for the remaining period of the financial year, if any. Besides the Subscription and Entrance Fee, a service charge at a rate decided from time to time may also be levied.

15. Until otherwise determined by the Committee the annual subscription of all members shall be payable at the beginning of the year i.e., on or before 31st of May in each and every year irrespective of the month in which the individual members were first admitted to membership. The members, however, can remit the subscription upto 30th September on payment of Rs. 500.00 as late fee.
16. Any member who has omitted to pay his subscription for the year as aforesaid shall be notified by the Executive Director-cum-Secretary of the fact after the subscription has fallen due by a letter addressed to the last known address of such member and failing payment within one month from the date of such letter the Committee may at any time thereafter remove the name of the defaulting member from the register of members and such removal shall be notified to the member who shall thereupon cease to be a member, but shall nevertheless be liable for payment of any arrears of subscription including the subscription for the current year. The Committee may also restore the name of such member at any subsequent time on the member paying the arrears of subscription and in such cases, the Committee shall have power to require such member to pay fresh entrance fees if it is considered desirable.
17. Notwithstanding any thing contained in these Articles, if a member fails to pay his annual subscription by the thirtieth day of May in each and every year, such member shall not be entitled to exercise any rights and privileges as a member until he pays all arrears to the Council.

### **REGISTER OF MEMBERS**

18. (a) The Council shall keep register of its Council Members in which shall be set forth the names and addresses of the members for the time being, and all changes in membership taking place from time to time shall be recorded.

- (b) Any change in the constitution, ownership, address of Council members will have to be notified within 3 months of such change. However, the Committee of Administration of the Council may condone delay upto 3 months beyond initial 3 months period provided it is satisfied that the delay in notifying the change was not due to willful negligence. Failure to notify such change within the stipulated time will render the membership liable to cancellation.
19. Every member shall promptly notify the Council in writing of any change effecting any of the entries in the register.
20. (a) Any firm which is a member of the Council shall be represented by Proprietor or one of its Partners/Directors to act as its representative at any Meeting of the Council, provided that such representation is duly authorised on the letterhead of the firm.
- (b) Any joint stock company or other corporation which is a member of this Council shall by a Resolution of its Directors or any persons in the position of Directors authorize any of Directors or any persons in the position of Directors to act as a representative at any meeting of the Council.
- (c) The person so authorised as aforesaid 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 of the same class as the firm, company or corporation. Any such authority shall be effective only on expiration of 7 days from the date on which it is lodged with the Council.
- (d) In the absence of any such authority in the case of any firm, any one partner whose name has been registered in the records of the Council shall be entitled to act as a representative of the firm at any Meeting of the Council.
21. The Committee of Administration of the Council shall include 3 persons to be nominated by the Government of India.



## COMPOSITION OF COMMITTEE OF ADMINISTRATION

22. The Committee of Administration of the Council shall consist of the following :

- |    |                            |  |
|----|----------------------------|--|
| 1. | <b>Chairman</b>            | 1  |
| 2. | <b>Vice-Chairman</b>       | 1  |
| 3. | <b>Elected members</b>     | 18 (including Chairman and Vice- Chairman) |
| 4. | <b>Government Nominees</b> | 3  |
| 5. | <b>Member Secretary</b>    | 1 (Executive Director- cum- Secretary)     |

The elected members of the Committee of Administration will be elected by all Council Members from amongst the Council Members belonging to the respective Categories. The number of members to be elected from each category is shown against each:

**Category (i)** Council Members whose principal place of business/ manufacturing, etc. is in the State of Uttar Pradesh .....10.

**Category(ii)** Council Members whose principal place of business/ manufacturing, etc. is in the State of J & K.....4.

**Category(iii)** Council Members whose principal place of business / manufacturing, etc. is in the States other than Uttar Pradesh and Jammu & Kashmir .....4.

23. The first Members of the Committee of Administration shall consist of the following—

1. Shri Gulab Dhar Misra.
2. Shri Ashfaq Husain.
3. Shri Mohammad Mustafa Khan.
4. Shri Ashfaq Ahmad Waziri.
5. Shri Ajaz Ahmad Khan.
6. Shri Nasrullah Ansari.
7. Shri Jugal Kishore Khanna.
8. Shri Hridaya Narain Shukla.

The Committee of Administration as above will be in charge of the functions of the Council till such time the elected Committee takes over. Chairman of the Interim Committee will be nominated by the Govt.

- 24.1. The Members of the Council shall, as soon as possible, after the 01st April each year, elect Members of the Committee of Administration amongst themselves belonging from the respective Category for which the term of Committee of Administration members is due through Web-based Electronic Voting System. The tenure of COA shall be for a fixed period of three years. There is no bar to re-election but there should be a gap of three years after every 3 consecutive terms i.e. after 9 years.
- 24.2. All Members of the Council shall, as soon as possible, after the 01st April in every two (2) years, elect Vice-Chairman from the Existing Committee of Administration through Web-based Electronic Voting System. A member having held the post of Vice-Chairman can come back as Vice-Chairman only after the gap of four years.
- 24.3 The election of Chairman of the Council shall be via Vice-Chairman route. The tenure of Chairman shall be for a fixed period of two years. There is no bar to re-election but there has to be a gap of four years. On the expiry of the term of the Chairman, the Vice-Chairman shall automatically become Chairman. There shall be no election to the Office of the Chairman as the Vice-Chairman will automatically become Chairman. However, the Vice-Chairman will take charge of Chairmanship on the date of completion of 2 years Term of Chairman from the date of his appointment, unless he decline to accept the post of Chairman or he is removed from the post of Vice-Chairman by a no-confidence vote of not less than 2/3rd of the COA members. The resolution regarding no-confidence will have to be put to vote on the same pattern of direct election as followed during the time of election to the post of Vice-Chairman. In case all eligible Members of the Council approve the no-confidence resolution then all eligible Members of the Council shall elect Vice-Chairman from the existing Committee of Administration, Vice-Chairman will take charge of Chairman immediately. The term of the Chairman and Vice-Chairman shall be two years while the Members of the Committee of Administration shall be three years.

- 24.5. However, as soon as possible and immediately after the Election Rules are duly approved and adopted, the General Body shall have to be held –
- a. Each year to elect 1/3rd Members of the Committee of Administration from amongst the General Members of the Council through Web-based Electronic Voting System.
  - b. Every two years when the elections of Vice-Chairman is due to elect, firstly as Member of the Committee of Administration from the General Members of the Council (once the full Committee of Administration is in place then those Members of the Committee of Administration who wish to offer themselves for the post of Vice-Chairman may do so) and, Secondly to elect as Vice-Chairman from the Members of the Committee of Administration, through Web-based Electronic Voting System and in case, if the Committee of Administration Member is not elected as Vice-Chairman he will continue to hold the office of the Member of the Committee of Administration.
25. (i) At the First Annual General Body Meeting, all the members of the Interim Committee of Administration for the time being shall retire from office.
- (ii) At every subsequent Annual General Body Meeting, one-third of total number of the members of each category of the Committee of Administration for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three then the number nearest to one-third retire from office.
- (iii) The Members of the Committee of Administration to retire by rotation at every Annual General Body Meeting shall be those who have been longest in office since their last appointment, but as between persons who became members on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. In case of odd numbers of members of one category, the number of members to retire shall be decided by the Committee of Administration before elections are held to fill up the vacancies.

- (iv) Thus the general principle about retirement of the Members of the Committee of Administration from each category shall, however, be based on the seniority i.e., senior shall retire first.

- 26. A retiring Member of the Committee shall be eligible for re-election but there should be a gap of three years after every 3 consecutive terms.
- 27. The Council at the Annual General Meeting upon the retirement of the Committee Members in the manner aforesaid may fill up the vacated office by election in conformity with the rules, regulations and bye-laws framed under Article 3 hereof.
- 28. If a member of the Committee desired to go out of India for a period exceeding three months at any one time, he shall intimate to the Secretary the date of his expected departure from India and the date of his expected return to India and shall obtain the leave of the Committee. The Committee may fill up a temporary vacancy so caused by co-opting another member from amongst members of the Council who would otherwise be eligible for election to that seat.
- 29. A member shall cease to be a member and his or its name shall be removed from the register of members on the happening of any of the following events:
  - (a) In the case of an individual, upon his death or adjudication as insolvent or becoming of unsound mind or in the case of a company or corporation, upon its dissolution or winding-up.
  - (b) If the member ceased to have the necessary qualifications under these Articles or the bye-laws.
  - (c) If such member being an individual, or if such member is a company or corporation, any officer or Director thereof as the case may be, is pronounced guilty of an offence which in the opinion of the COA, amounts to an act or conduct or omission in contravention of any of the rules, regulations or bye-laws of the Council or otherwise detrimental to the interest of the Council.

- (d) If he fails to observe the provisions of these presents, the rules, regulations and bye-laws of the Council or any decision or the arbitration of the Committee of Administration.
- (e) If he resigns from the Council in a manner provided in Article (11) above.
- (f) If he is expelled from the Council by the Committee of Administration by reasons of any provision of the Articles or the bye-laws.

## **CHAIRMAN**

- 30. The Chairman of the Council shall preside at all meetings of the Committee of Administration and at all Meetings of the Council. He shall preside at the Annual General Meeting and address the Members on such subject as he may deem proper to bring to their notice by such address but such addresses shall not be taken to present the views of the Council or of the Committee unless such representation is expressly indicated. If the Chairman is absent, then the Vice-Chairman will preside. If Vice-Chairman is absent, then the Committee Members present shall elect one among them to be the President for the Meeting.
- 31. The Chairman shall hold office for a period of 2 years from the date of his/ her appointment and the Chairman's Office shall be without remuneration.

## **COMMITTEE OF ADMINISTRATION**

- 32. The Committee shall meet at such times as they may deem advisable, but at least once in each quarter and may make such regulations as they think proper as to the summoning and holding of the Meeting of the Committee of Administration and for the transaction of business at such meetings. The record of their proceedings shall be opened for examination of the members, subject to such regulations as the Committee of Administration may from time to time deem expedient.
- 32 (a) The name of the Member of the Committee of Administration shall automatically be removed from the list of Members of Committee of Administration except Government Nominee on account of his/her unauthorized absence from meeting of the Committee of Administration for three consecutive meetings.

33. The Committee shall be the Managing Body of the Council and in addition to the powers and authorities by statute of these Articles expressly conferred upon them, may exercise all such powers and do such acts and things as shall be by statute or by these Articles of Association directed or authorised to be done by the Council and which are not by these Articles expressly directed to be done by the Council in General Meeting but subject nevertheless as to such acts and things as are not regulated by statutes or by these Articles of Association to such regulation or directions as may from time to time be determined upon or given at any Annual or Extraordinary General Meeting of the Council provided that no such regulation which would have been valid if the regulation or direction had not been made or given.
34. One-third members of the total number of the Committee shall form a quorum for the transaction of business.
35. Each member of the Committee of Administration shall have one vote and in the event of an equality of votes, the Chairman or the person discharging the duties of Chairman shall have a casting vote.
36. A yearly report of the proceedings of the Committee shall be prepared, printed and circulated for the information of the members of the Council at least 14 days previous to the Annual General Meeting. Such report shall be submitted to the Annual General Meeting for confirmation and shall be confirmed or otherwise dealt with or disposed of as the meeting shall determine. Such report shall be in addition to the report to be made out and attached to the Balance Sheet in accordance with these Articles.
37. Powers and duties of Office Bearers are defined below :

## **CHAIRMAN**

38. The Chairman shall preside over all the Meetings of the Committee of Administration and over all General Meetings of the Council, and shall take the lead on all ceremonious occasions. At a General Meeting, he may address the members on such subjects as he may deem proper. He shall also, at any time he may deem fit, communicate to the Council or the Committee of Administration, such matter and may make such suggestions

which in his opinion tend to promote the prosperity and increase the usefulness of the Council. He shall perform such other duties may be incidental to his office and shall also have power to countermand any orders, instructions and notices issued by the Secretary which he deems to be prejudicial to the interests of the Council.

### **VICE-CHAIRMAN**

- 39 A. In the absence from India for more than one month of the Chairman, the Vice-Chairman shall have powers and shall perform the duties of the Chairman.

### **EXECUTIVE DIRECTOR-CUM-SECRETARY**

- 39 B. The duties and the powers of the Executive Director-cum-Secretary shall be—
- (1) To call the meetings;
  - (2) To receive and deal with all sorts of correspondence and applications addressed to the Council;
  - (3) To represent the Association in its dealing with Government Departments, Courts, Municipal and District Board/Zila Parisad Offices, Public Bodies, Firms, Associations and individual etc.;
  - (4) To sign for the Council;
  - (5) To manage and control the office;
  - (6) He shall function as Chief Executive for ensuring implementation of policies and decisions of the Council and it's proper functioning.

### **POWERS OF THE COMMITTEE OF ADMINISTRATION**

40. The management of the business affairs and funds of the Council and the control of the Council shall be vested in the Committee of Administration which in addition to the powers and authorities, duties and discretions by these presents or otherwise expressly conferred or imposed upon them, may exercise all such acts and things as may be exercisable, exercised or done by the Council and are not hereby or by any act, regulation or statute for the time being in force, expressly directed or required to be exercised or done by the Council in General Meeting but subject nevertheless to the provisions of such

act, regulations or statute or these presents as from time to time be made by the Council in General Meeting provided that no regulation so made shall invalidate any prior act of the Committee which would have been valid if such regulation had not been made.

- (a) To fix and collect a service charge on all exports of handmade carpets and floor coverings coming within the administrative purview of the Council and utilize the same for such purposes as deemed necessary by the Committee in the promotion of exports of handmade carpets and floor coverings.
- (b) With prejudice to the general powers conferred by the last preceding Article, other powers conferred by these presents or by laws it is hereby declared that the Committee shall, subject to the restrictions imposed by the Act, have the following powers, that is to say;
  - 1. In respect of the Executive Director-cum-Secretary and other officers and employees of the Council to make bye-laws to regulate.
    - (a) the condition of service,
    - (b) appointment, promotion and dismissal.
    - (c) the grant of pay, leave allowance, pension.
    - (d) payment of T.A.,
    - (e) The establishment and maintenance of a provident fund, provided that these bye-laws shall become effective only after they are approved by the Central Government in the Ministry of Commerce/Textiles and provided further that the grant of leave and allowances to Government servants whose services have been lent or transferred to the Council shall be decided with the previous approval of the Government competent to sanction the transfer to the service of the Council.
  - 2. To purchase, hire or take on lease for any period or otherwise acquire for the purposes the Council any property, movable or immovable, interest, rights, privileges, powers or concessions which the Council is authorised to acquire at such price and generally on such terms and conditions as it may think fit and at its discretion to sell, give up, surrender, re-let or sublet or assign or otherwise dispose off the same or part thereof in the best interest of the Council.



3. To arrange, deal with and manage the finances of the Council and invest and deal with any of the moneys of the Council not immediately required for the purpose thereof upon such security and in such manner as it may deem fit and, from time to time, to vary and realize such investments in the best interests of the Council, provided that the Committee shall have the power to invest such moneys in the purchase of immovable properties situated in India or to deposit in current or fixed deposits as the Committee of Administration, may think fit, a portion or whole of the moneys of the Council with any person, banking firm or joint stock bank in whose reliability and financial stability the Committee of Administration may, in their sole judgment, have confidence.
4. To enter into contracts, engagements on behalf of the Council and to secure the fulfillment thereof or any other obligation of the Council by mortgage or charge of all or any of the property and rights of the Council or in such manner as it may think fit.
5. To appoint such Committee as may, from time to time, be found necessary and to determine their duties and the conditions upon which they are respectively to hold office and to prescribe the procedure to be adopted by them.
  - (i) Committee shall be empowered to invite need based special invitees to the Committee subject to a maximum of 3 – subject specific specialist, whose services may be required to contribute to the quality of deliberations of the COA and the Council in decision making process consequentially. These special invitees shall not have voting powers and shall not be eligible for any remuneration, fees, etc. but shall be entitled for payment or reimbursement of out of pocket expenses or reasonable travelling and/or other expenses incurred or to be incurred for attending the meetings of the Committee not exceeding Rs. 5,000.00.
  - (ii) The Committee may from time to time appoint Sub-Committee(s) for the purpose of considering and reporting on any of the affairs of the Council or carrying on or promoting

any of the objects of the Council. The Committee may nominate any Committee Member of the Council only to such Sub-Committee(s). Committee may designate one of the Member as Convener of such Sub-Committee(s).

- (iii) Committee Members of the Council invited to be Members of its Sub-Committee(s) will be reimbursed travel expenses comprising of Hotel accommodation and Travel fare. The scale of reimbursement of such travel expenses and criteria for selection of Committee Members of Sub-Committee and Special Invitees will be decided by Committee of Administration (COA) and shall not exceed the reimbursement paid for attending COA meetings.
6. To appoint and at its discretion remove or suspend employees, officers, clerks, agents, servants whether permanent, temporary or special as it may, from time to time, think fit and to determine their powers and duties and fix salaries or emoluments and to require securities in such instances and to such amount as it may deem fit, provided that the appointment or removal of Executive Director-cum-Secretary/ Deputy Director or Assistant Director, or any other officer equivalent thereto shall be with the prior approval of the Central Government in the Ministry of Commerce/ Textiles.
  7. To accept from any member on such terms and conditions as shall from time to time be determined, resignation from the Council.
  8. Deleted.
  9. To establish Regional Offices wherever and on whatever terms they think fit and appoint officers for the same, with the prior approval of the Central Government, in the Ministry of Commerce/Textiles.
  10. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Council any property belonging to the Council or in which it is interested or for any other purposes to execute and to do all deeds, matters and things as may be required in relation to any trust and to provide for the remuneration of such of trustee or trustees.

11. To exercise the borrowing powers to obtain credits for the Council and to execute in the name and on behalf of the Council such mortgages, charges and other encumbrances of the Council's property (present and future) as it may deem fit in favour of any member of the Committee of the Council or any other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Council and any such instrument as may contain power of sale and such other powers covenants and provisions as may be agreed upon.
12. To refer any claims or demands by or against the Council to arbitration for award.
13. To make and give receipts, releases and other discharges for money payable to the Council and for the claims and demands of the Council.
14. To determine who shall be entitled on behalf of the Council to draw, make, accept, endorse, discount, negotiate, issue and sign promissory notes, bills of exchange, bills of lading, warrants, debentures, other negotiation and mercantile instruments, receipts, contracts and other documents.
15. To support and subscribe to any charitable or public object and any institution society, or club which may be for the benefit of the Council or its employees.
16. To subscribe money to any public or charitable fund.
17. At any time, from time to time, under power of attorney under the seal of the Council to appoint any person or persons to be the attorneys of the Council for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Committee under these presents) as may be deemed expedient.
18. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Council or its officers or otherwise concerning the Council or its officers and also to compound and allow time for payment on satisfaction of any claim or demand by or against the Council.

19. To enter into all negotiations and contracts and vary all such contracts and execute and do all such acts, deeds, matters and things in the name and on behalf of the Council to any of the matters aforesaid or otherwise for the purpose of the Council.
20. To appoint member to act as Arbitrator, or Umpire, Board of Arbitrators, Appeal Committee in any of the matters where such arbitration or umpirage is imperative or permissible under these presents and decide their power and duties and other procedure.
21. To pay the costs, charges and expenses preliminary and incidental to promotion, formation establishment and registration of the Council.
41. The principal business of an Annual General Meeting shall be to receive and pass the report of the proceeding of the Committee of Administration and also the report and accounts for the preceedings financial period, to elect Vice-Chairman and new members of the Committee of Administration and appoint Auditors and fix their remuneration and to consider or transact any business which under these Articles ought to be transacted at an Annual General Meeting.
42. If one-fifth of all the Council Members by requisition in writing setting forth the reasons therefor and signed by them and addressed to the Committee, request the Committee of Administration to call a meeting of the Council, the Committee shall within 21 days of the receipt by the Committee of Administration of the requisition send out notice calling a meeting of the Council. Meetings called by such requisition shall be known as Extra-ordinary General Meeting.
43. Not less than 14 days notice to the members specifying the place, date and hour of the meeting with a statement of the business to be transacted at the meeting shall be given by notice sent by post or otherwise served as hereinafter provided.
44. The Committee of Administration shall have the power for fixation of amount of reimbursement to Committee Members for attending meetings of the Council and for overseas deputation as under : -

**a. Domestic Travel -**

- i. If attending the meetings of the Council.
- ii. If Government invites Committee Member/Chairman/ Vice-Chairman the Council will reimburse the travel expenses to Committee Member.
- iii. For any other expenses incurred by Committee Member/ Chairman/ Vice-Chairman will be borne by himself/ themselves.

**b. Overseas Travel -**

- i. If a Committee Member/ Chairman/ Vice-Chairman is a part of Government delegation or travel as a Member of delegation of Sales-cum-Study Team, with prior approval of Development Commissioner (Handicrafts).
- ii. All other travel performed by Committee Member/ Chairman/ Vice-Chairman the expenses will be borne by himself/ themselves.

## **NOTICE**

- 45 (i) A notice may be given to any member either personally or by sending it by post to such member's registered address or (if a member has no registered address in India) to the address, if any, within India supplied by the members for giving of notices.
- (ii) Where a notice is sent by post, service shall be deemed to be effected by properly addressing prepaying postage and posting a letter containing the notice, and unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post.
46. If a member has no registered address in India and has not supplied to the Council an address within India for giving of notices, a notice addressed to such member and advertised in a newspaper circulating in the neighbourhood of the registered office of the Council shall be deemed to be duly given to such member on the day on which the advertisement appears.
47. Any notice required to be given by the Council to the members or any of them and not expressly provided for by these presents shall be sufficiently given by advertisement and any notice required to be or which may be given by advertisement shall be advertised once at least in one or more newspapers circulating in the neighbourhood of the registered office of the Council.

48. The non-receipt by any member of any notice required by these Articles to be given to the member shall not invalidate the proceedings of any meeting or any resolution passed thereof.

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

- 49 (i) No business shall be transacted at a meeting if called upon the requisition of members of the Council unless a quorum of one-fourth members is present at the commencement of the meetings, and if no such quorum is present within half an hour from the time appointed for commencement of the meeting, the meeting shall be dissolved.
- (ii) In case of an Annual General Body Meeting or other General Body meetings, the quorum shall be of one-tenth of the members enrolled on immediately preceding 31st March and if no such quorum is present within half an hour from the time appointed for the commencement of the meeting, the meeting shall be adjourned to the same place and same day after one hour. If at the adjourned meeting, also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.
50. At any meeting a resolution put to the vote of the meeting shall be decided by a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demand by the Chairman or by at least five members and unless a poll is so demanded a declaration by the Chairman that the resolution has on a ballot/show of hands, been carried or carried unanimously or by a particular majority, or lost and an entry to that effect in the books of the proceedings of the meeting of the Council shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour or against the resolution.
- No resolution shall be moved unless intimation thereof has been given to the Secretary at least 15 days before the date of the meeting and the same is on the agenda of the meeting unless and otherwise the Chairman may use his discretion to entertain the special resolution on its containing urgent and hard-pressing problems.
- 51 The President of a General Body or Annual General Body Meeting may with the consent of the meeting adjourned to the same place and the same day

after one hour. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.

## **VOTE OF MEMBERS**

52. At any meeting of the Council every Council member present shall be entitled to one vote, and in the event of an equality of votes, the Chairman or the person discharging the duties of a Chairman, shall have the casting vote.
53. (i) No person other than a Council Member shall be entitled to vote at the meeting of the Council.
- (ii) Notwithstanding what is contained in subsection hereof, a Council Member may nominate a person in writing to represent such member at a meeting of the Council and give notice thereof to the Secretary and upon such intimation being given to the Secretary, the person nominated will have the right to vote on behalf of the member but shall not participate in the proceedings of the meetings.

## **MINUTES**

54. Minutes of the Proceedings of the meeting of the Council and of the Committee shall be kept and shall be signed by the person presiding over the next meeting, copies of the minutes of the meetings of the Council or of the Committee shall be circulated to the members of the Council or of the Committee as the case may be within 14 days of the meeting and any objection made by any member shall be recorded and placed before the next meeting of the Council or the Committee of Administration, as the case may be.

## **BOOKS AND DOCUMENTS**

55. The Committee of Administration shall cause to be kept proper books of accounts with respect to :
- (a) all sums of money received and expended by the Council and the matters in respect of which the receipt and expenditure take place.

- (b) all sales and purchases of goods by Council, and
- (c) the assets and liabilities of the Council

The Books of Account shall be kept at Registered Office of the Council or at such other place as the Committee thinks fit and shall be opened for inspection by the members of the Committee of Administration during office hours.

56. The Committee of Administration shall, from time to time, determine whether and to what extent and what time and places and under what conditions or regulations the accounts and books of the Council or any of them shall be opened to the inspection of the members not being members of the Committee of Administration and no member (not being a member of the Committee of Administration) shall have any right to inspect any account or book or document of the Council except as conferred by law or authorised by the Committee of Administration or by resolution of the Council in General Meeting. Provided that the accounts and books of the Council shall be opened for inspection by an Officer duly authorised in this behalf by the Govt, for ascertaining or verifying the income and expenditure of the Council or for any other purposes as may be considered necessary by the Government.
57. (i) At all Annual General Meetings, the Committee of Administration shall lay before the members a Balance Sheet and an Income and Expenditure account made up to date not earlier than the date of the meeting by more than 9 months.
- (ii) The said Balance Sheet shall be in the form set out in Para 1 of the third schedule of the Companies Act, 1956 or at near thereto as circumstances admit.
- (iii) The Income and Expenditure account shall be so arranged under the most convenient head or as prescribed by the Government the account of gross income distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing expenses of the establishment, salaries and other like matters. Every item of the expenditure fairly chargeable against the



year's income shall be brought into account so that a just balance or profit and loss may be laid before the meeting. In case where any item of expenditure which may in fairness be distributed over several year has been incurred in any one year, the whole amount of such items shall be stated, and further, the reasons why only a portion of such expenditure is charged against the income of the year shall be stated, unless the members of the Council in General Meeting shall determine otherwise.

- (iv) The Auditors' report shall be attached to the Balance Sheet and Income and Expenditure account or there shall be inserted at the foot thereof a reference to the report and the report shall be read before the members in General Meeting and shall be opened for inspection by members.

- 58. Every such Balance Sheet and Income and Expenditure accounts shall be accompanied by a report of the Committee as to the state and conditions of the Council. Such report being in addition to and separate from the report specified under Article 36 hereof and the account, report and Balance Sheet shall be signed by the Chairman on behalf of the Committee of Administration.
- 59. A printed copy of such Income and Expenditure account and Balance Sheet as audited together with 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.
- 60. After the Balance Sheet and Income and Expenditure Account have been laid before the members in General Meeting, 3 copies of the Balance Sheet signed by the Secretary shall be filed with the Registrar of Companies in accordance with the Act or Rules made there-under for the time being in force.

## **MAINTENANCE AND PUBLICATION OF ACCOUNT AND AUDIT**

- 61. The Account of the Council shall be audited every year by Auditor appointed in this behalf by the Council with the concurrence of the Government.

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

62. The auditors shall have the right of access at all times to the books of account of the Council and shall be entitled to require from the Committee or the Officers of the Council such information and explanation as may be necessary for the due performance of their duties as auditors.
63. The auditors shall make a report to the members on the accounts examined by them and on every Balance Sheet and Income and Expenditure Account laid before the members in Annual General Meeting during tenure of office and the report shall state:
- (i) Whether or not they obtained all the information and explanation they have required;
  - (ii) Whether or not in their opinion the Balance Sheet and the Income and Expenditure Account referred to in the report are drawn up confirming with the law;
  - (iii) Whether or not such Balance Sheet exhibits true and correct view of the state of affairs of the Council according to the best of their information and explanations given to them and as shown by the books of the Council; and
  - (iv) Whether in their opinion books of account have been kept by the Council as required.
64. 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 with respect to the account.
65. A certified true copy of the Account and the auditors' report shall be forwarded to the Government.
66. Every account of the Committee when audited and approved by the General Meeting shall be conclusive except as regards any error discovered therein within 3 months next after the approval thereof. Whenever such error is discovered within that period, the account forthwith shall be corrected and henceforth shall be conclusive.

## **BUDGET ESTIMATES AND SUPPLEMENTARY ESTIMATES.**

67. The Council shall prepare an Annual Action Plan at the beginning of the financial year alongwith Budget estimates for approval of the Committee on estimated income and expenditure.
68. Council shall seek approval on the supplementary estimates from the Committee.
69. Committee may prescribe maintenance accounts/ budget data in any other proforma which shall be followed by the Council.
70. Subject to the provisions of these 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 to the Secretary or to other officers of the Council such financial powers as may be considered expedient.
71. 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.

## **CUSTODY AND DISBURSEMENT OF FUNDS.**

72. 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 approved in this behalf by the 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 approved in this behalf by the Government or in any security in which trust property may lawfully be invested under the Indian Trusts Act, 1982.

## SEAL

73. The Committee shall provide a common Seal for the purpose of the Council and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Committee shall provide for the safe custody of the seal and the seal shall never be affixed to any instrument except by the authority or a resolution of the Committee of Administration and in the presence of at least two members of the Committee of Administration appointed for the purpose by the Committee of Administration and such members shall sign such instrument.
74. No change, alteration or modification of these Articles shall be made except by the Council in General Meeting which is convened with the issue of a Notice as required under the Articles of Association, and any such change, alteration or modification shall become effective only after the same is approved by the Central Government in the Ministry of Commerce/Textiles.
75. The Central Government in the Ministry of Commerce/Textiles shall have powers to issue directives to the Council, in public interest from time to time relating to the functioning and properties of the Council. The Council shall be carrying out those directives faithfully.
76. The Government will have the power :
- i) To give directions to the Council as to the exercise and performance of its function in matters involving national 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 the 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.