

## ELECTION RULES

1. These Rules (hereinafter called the 'Rules') may be called the Election Rules of the Handloom Export Promotion Council.

### 2. DEFINITIONS

In these Rules, unless the context otherwise requires:

- a) 'The Council' means the Handloom Export Promotion Council.
- b) 'Articles' means Articles of Association of the Council.
- c) '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.
- d) 'Member' means a member of the Council. Member does not include an RTE
- e) 'Chairman' means the Chairman of the Council.
- f) 'Vice-Chairman' means Vice-Chairman of the Council.
- g) 'Committee' means the Executive Committee of the Council.
- h) 'Arbitration' means arbitration under Clause 53 of the Articles of Association of the Council.
- i) All words and expressions used but not defined under these 'Rules' shall have the meaning assigned to them in the Articles of the Council or the Act.
- j) 'Returning officer' means Executive Director for the purpose of conducting election.

3. The Act and the provisions of Schedule I, Table H of the Act shall prevail notwithstanding any provision to the contrary in the Rules.

4. Omitted pursuant to the office order of the Ministry of textiles vide F.No.8/5/2017-EP dated August, 2020.

5. Applicability:

These Rules shall apply to the election of the Members of the Executive Committee Vice Chairman/Chairman.

6. All the Committee 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 a multiple of three, then, the number nearest to one-third shall retire from office.

7. 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 became members of the Committee on the same day those who are to retire shall in default of and subject to any agreement amongst themselves be determined by lot drawn by the Committee.

8. A retiring member of the Committee shall retain office until the dissolution of the meeting at which his election is decided or his successor is elected.

9. A retiring member of the Committee shall be eligible for re-election. The office vacated by him may be filled up by electing him or some other person.

## II ELECTION OF MEMBERS TO THE EXECUTIVE COMMITTEE

10. (i) 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 a 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 such 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, the election of Committee members shall only be by way of e voting or such other modes as may be notified to the Council under the Foreign Trade Policy from time to time. A retiring Committee member shall also file the declaration given in Schedule I under his hand signifying his candidature for the office of Committee member and leave the same at the office of the Council not less than fourteen days before the meeting. A retiring Committee member need not pay the deposit amount. All members, fulfilling the minimum requirement of exports, as prescribed by the Council would be eligible to vote for the Executive Committee.

Provided that the above provisions shall not be applicable, if the election of members was done through postal ballot.

Wherever Executive Committee members are elected from their respective panels/sub divisions, Council may continue to follow the existing system. However, election for the panels must be through e-voting by the members belonging to the respective constituency.

- (ii) **Nomination** - The notice referred to in Clause 37(g) of the Articles and Rule 10(i) above shall be in the form prescribed in Schedule I and shall be filed along with the documents required therein.

11. The nomination should specify the product group under which the member concerned opts to stand for election.
12. A member shall not be eligible to seek election for more than one product group.
13. The nominations shall be scrutinized by the Returning officer on the next working day after the last date for receipt of the nominations, and a candidate or any Person holding his authorization on his behalf in the form prescribed in Schedule II to these rules shall be entitled to be present at such scrutiny.

14. Any nomination paper which does not comply with the requirements prescribed under these Rules or the Articles shall be rejected as invalid. The decision of the Returning Officer in regard to the validity or otherwise of the Nomination papers is subject to arbitration under the provisions of Clause 53 of the Articles of Association.
15. A candidate may withdraw his nomination by intimation in writing to the Secretary which should reach the Secretary not later than the third working day after the date of scrutiny of nominations.
16. 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 or publishes the same on the official website of the Council.

17. Every member of the Council shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Council, provided not less than three days notice in writing of the intention so to inspect is given to the Secretary of the Council.
18. Separate Poll Slip shall be prepared in respect of each product group. The Poll slip shall show the names of each candidate for the particular product group separately but listed in alphabetical order of the last names/surnames of the candidates.

In case where there is only one vacancy, the candidate who polls the highest shall deemed to have been elected. In case there are two or three vacancies, the first two or three candidates as the case may be, polling the highest number of votes shall be declared elected.

19. The vote(s) shall be recorded by the Members or proxy Holders by placing the Mark 'X' on the Poll slip(s) opposite the name(s) of the candidate(s) for whom they wish to vote and depositing the Poll Slip(s) in the ballot box to be provided at the meeting. If in any particular Product Group, the vote(s) is (are) recorded for more candidates than the number of Members to be elected in that Product Group or if the marks are indistinct or ambiguous then the Poll Slip shall be rejected. The specimen of the Poll Slip is in Schedule III.

The procedure for voting through electronic means is at Schedule IV.

20. A Poll Slip shall be invalid if it cannot be determined for which candidate or candidates the vote is recorded or if the vote is recorded for more candidates than the number of members to be elected in that Product Group constituency.

21. In case of equality of votes amongst two or more candidates, the candidates shall determine by lot, which of the candidates shall be declared to have been elected. The Returning Officer will announce the results of the election, as communicated by the aforesaid candidates securing equal number of votes at the time of the Annual General Meeting of the Council at which the election takes place.
22. All records relating to the Elections including Poll slips, written objections, if any, Chairman's Notes, etc., shall be preserved for six weeks from the date of elections under the custody of the Secretary.

### III ELECTION OF CHAIRMAN AND VICE CHAIRMAN

23.
  - i. 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 . The Vice Chairman/Executive Committee members shall be appointed only through E-voting to ensure wider participation of members of the Council. A reputed agency may be appointed by the Council to conduct the elections in a free and fair manner.
  - ii. All members of the Council, fulfilling the minimum requirement of exports, as prescribed by the Council would be eligible to vote for the post of Vice Chairman.
  - iii. Election procedures viz nomination, withdrawal of nomination etc for Vice Chairman shall be followed as that of procedures for election to the Executive Committee Member.
24.
  - a) 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.
  - b) Any member having held the post of Chairman and or Vice Chairman may come back as Vice Chairman in the same council after a gap of not less than 4 years.**
25.
  - a) The Vice Chairman shall become the Chairman after the Chairman completes his term and will have tenure as prescribed, unless he declines to accept the post 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. 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.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.

b) 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.

**26. Any member of the Committee present may propose any member once the full Executive Committee is in place, those members of the Executive Committee who wish to offer themselves for the post of Vice Chairman may do so. E-voting for the post of Vice Chairman shall be done by all the members of the Council eligible to vote, irrespective of sub divisions of panels.**

27. If only one member is duly proposed and seconded at the Meeting to be the Vice-Chairman, such member shall be declared to have been elected as Vice Chairman of the Council.

28. If two or more members are duly proposed and seconded at the meeting to be Vice-Chairman, an election shall be conducted for the post.

29. The election of the members to the Executive Committee Member /Vice Chairman post shall be by e-voting or such other modes as may be notified under the Foreign Trade Policy or by the Ministry of Textiles or other such appropriate authorities from time to time.

30. In the case of equality of votes, the pro-term Chairman of the Meeting shall be entitled to a casting vote, in addition to his own vote to which he is entitled as a Member.

31. The result of the election of the Chairman or Vice chairman shall be declared at the Committee Meeting by the Chairman presiding over the meeting.

32. The decision of the person presiding at the meeting as regards the result of the election of the Chairman and Vice Chairman shall be final and binding.

33. After the announcement of the result, the Chairman and the Vice- Chairman so elected will assume office and conduct the proceedings of the Meeting.

## SCHEDULE – I

To

The Returning Officer  
The Handloom Export Promotion Council,  
34, Cathedral Garden Road,  
Nungambakkam, Chennai – 600 034

Dear Sir,

We propose Shri ..... for election as a member of the Executive Committee of the Handloom Export Promotion Council, Chennai – 34, under the product group .....

Yours faithfully,

Signature of the Proposer

Name of Proposer in Block Letters

For and on behalf of

Note: The Candidate can propose himself. In which case the Candidate must delete the word proposer above and sign instead as the candidate.

**Declaration by the Candidate:**

I son of ..... do hereby solemnly declare that (i) I fulfill (the organization I am duly representing fulfils) all the qualifications set out in clause 36(d)of the Articles of Association of the Council for being elected as a member of the Executive Committee and (ii) I agree to the above nomination.

- 1. Name of the Member firm (if applicable) and membership number
- 2. Address of the Candidate
- 3. If in the SSI Sector (if so please furnish a true copy of the SSI certification registration
- 3. registration
- 4. Export turnover of handloom products for the three consecutive years referred in Clauses 36(c) of the Articles.  
Turnover in Rs.  
I year  
II year  
III year

(Please produce evidence of the same, duly certified by a Chartered Accountant)

- 5. Whether turnover of the product group is not less than 51% of the turnovers above  
Product Group Turnover in Rs.  
I Year  
II Year  
III Year

(Please produce evidence of the same, duly certified by a Chartered Accountant).  
I solemnly declare that the declaration made above and all the above statements are true to the best of my knowledge.

Signature

Date

Place

Received on.....At.....Secretary

**SCHEDULE – II**

**AUTHORISATION**

I hereby authorise Shri/Smt..... to be present on my behalf at the scrutiny of nomination papers/counting of votes for the election of the Executive Committee of the Handloom Export Promotion Council.

Name:

Serial Number of  
Membership Certificate:

Date

(Signature)



**SCHEDULE III**

**THE HANDLOOM EXPORT PROMOTION COUNCIL**

**NO.**

**POLL SLIP**

**PRODUCT GROUP**

<b>NAME OF THE CANDIDATE (A)</b>	<b>SPACE FOR MARKING VOTE</b>
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<b>NAME OF THE CANDIDATE (B)</b>	<b>SPACE FOR MARKING VOTE</b>
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<b>NAME OF THE CANDIDATE (C)</b>	<b>SPACE FOR MARKING VOTE</b>
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<b>NAME OF THE CANDIDATE (D)</b>	<b>SPACE FOR MARKING VOTE</b>
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1. The vote(s) shall be recorded by placing of the mark 'X' on the Poll Slip.
2. If the Vote(s) is (are) recorded for the total number of candidate(s) which are more than the number(s) of Member(s) to be elected in that Product Group, or the 'X' marks are indistinct or ambiguous, the Poll Slip shall be rejected as invalid.
3. After recording the votes on the Poll Slip in the manner indicated above, it should be folded and dropped in the Ballot Box.

## SCHEDULE IV

### THE HANDLOOM EXPORT PROMOTION COUNCIL

#### **E-VOTING AND ITS PROCEDURE AS PER SECTION 108 OF THE COMPANIES ACT, 2013 AND RULE 20 OF COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014.**

#### **E-VOTING:**

“Voting by electronic means” or “electronic voting system” means a ‘secured system’ based process of display of electronic ballots, recording of votes of the members and **the number of votes polled in favour or against, such that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate ‘cyber security’.**

A member may exercise his right to vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the provisions of this rule.

#### **PROCEDURE FOR E-VOTING**

- The notice of the meeting shall be sent to all the members, auditors of the company, or directors either
  - a) by registered post or speed post ; or
  - b) through electronic means like registered e-mail id;
  - c) through courier service;
- The notice shall also be placed on the website of the company, if any and of the agency forthwith after it is sent to the members.
- The notice of the meeting shall clearly mention that the business may be transacted through electronic voting system and the company is providing facility for voting by electronic means;
- The notice shall clearly indicate the process and manner for voting by electronic means and the time schedule including the time period during which the votes may be cast and shall also provide the login ID and create a facility for generating password and for keeping security and casting of vote in a secure manner;
- The e-voting shall remain open for not less than one day and not more than three days

**Provided that in all such cases, such voting period shall be completed three days prior to the date of the general meeting;**

- Member may participate in the AGM even after exercising his right to vote through remote voting but shall not be allowed to vote again at the AGM/ EGM/ EOGM.
- At the end of the voting period, the portal where votes are cast shall forthwith be blocked.
- The Board of directors shall appoint one scrutinizer, who may be chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an advocate, but not in employment of the company and is a person of repute who, in the opinion of the Board can scrutinize the e-voting process in a fair and transparent manner
- The scrutinizer shall, within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman.
- The scrutinizer shall maintain a register either manually or electronically to record the assent or dissent, received, mentioning the particulars of name, address, folio number or client ID of the shareholders, number of shares held by them, nominal value of such shares and whether the shares have differential voting rights;
- The register and all other papers relating to electronic voting shall remain in the safe custody of the scrutinizer until the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the register and other related papers to the company.
- The results declared along with the scrutinizer's report shall be placed on the website of the company and on the website of the agency within two days of passing of the resolution at the relevant general meeting of members;
- Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the relevant general meeting of members.

**The process and manner for remote e-voting are as under:**

- In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- Click on Shareholder - Login
- Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- Select “EVEN” of “Name of the company”.
- Now you are ready for remote e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.