

## **NOTICE OF EXTRA-ORDINARY GENERAL MEETING OF COUNCIL**

No. GJEPC/SECTL/EGM/2015-16/

Date: April 25, 2015

### **To: ALL MEMBERS OF THE COUNCIL**

Notice is hereby given that an Extra-Ordinary General Body Meeting of the members of **The Gem and Jewellery Export Promotion Council (Council)** will be held on Monday, 18<sup>th</sup> May, 2015 at 12 pm at "Opera", Hotel Sofitel, C-57, Bandra Kurla Complex, Bandra (East), Level-II, Mumbai- 400 051 to transact the following Special Business:

#### **1. Alteration of Articles of Association:**

To pass the following resolutions as **Special Resolutions** vide directions of the Central Government under Article 51 of the Articles of Association of the Council:

**"RESOLVED THAT** pursuant to the provisions of sections 8, 14 and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder and the approval of the Ministry of Commerce & Industry, Dept. of Commerce, EP (G&J) Section, but subject to the approval of the Registrar of Companies, Maharashtra, Mumbai, approval of the members be and is hereby accorded for alteration of Articles of Association of the Council as below:

- (i) In Article 1.1 (a) the words *"Companies Act, 1956"* be replaced with *"Companies Act, 2013"*.
- (ii) After Article 1.1 f., the following Article 1.1 f. (1) be added: -  
*"f. (1) "Election Rules" means the rules as framed under Article 9.3 for the conduct of the elections to the Committee."*
- (iii) In the Existing Article 3, the *Article 3.1, Article 3.2 and Article 3.3* will be renumbered as *Article 3.2, Article 3.3 and Article 3.4, respectively*.
- (iv) In the existing Article 3, the following *Article 3.1* be added: -  
***"3.1 Members***  
*The number of members which the Council proposes to be is 10,000 members, but Committee of Administration may, from time to time, whenever the Council or activities of the Council require, register an increase in the number of members.*  
*The subscribers to the Memorandum and such other person as the Committee shall admit to membership shall be members of the Council.*
- (v) The existing Article 4.2 be deleted, and be replaced with the following: -  
***"4.2 Eligibility Criteria***  
*a. Only Ordinary Members shall be entitled to stand for elections to the Committee.*  
*b. The eligibility criteria for elections to the Committee shall be prescribed by the Committee by way of Election Rules."*

- (vi) In Article 8.1 (d), the words *"Section 295 or Section 299"* be replaced with *"Section 184 or Section 185"*
- (vii) In Article 8.1 (e), the words *"becomes disqualified by an order of the court under section 203 of the Act"* be replaced with *"is convicted of an offence under Section 447 of the Act"*
- (viii) In Article 9.3, the word *"rules"* be replaced with *"Election Rules"*
- (ix) The existing Article 9.3 (b) be replaced with the following:  
*"mode of conducting elections including provisions for web/ electronic based voting (except as otherwise provided in these articles)"*
- (x) The existing Article 11.1(a) be replaced with the following:-  
*"right to stand as a candidate as per the provisions of Clause 27.7, and to vote at the election of the members of the Committee and the right to vote on all matters brought before a meeting of the Council, provided there are no arrears of subscription or other dues or charges payable by them to the Council on 1st April in the year of voting"*
- (xi) Article 15.1 (a) be replaced with the following:  
*"the name, address, occupation, e-mail address, Permanent Account Number or Corporate Identification Number, Unique Identification Number (if any), Father's/Mother's/Spouse's name, Status; Nationality; in case member is a minor, name of the guardian and the date of birth of the member; name and address of nominee of the member;"*
- (xii) The word *"and"* after Article 15.1 (d) be deleted.
- (xiii) After Article 15.1 (e), the following sub-Articles be added:-  
*f. amount of guarantee, if any;*  
*g. any other interest if any; and*  
*h. instructions, if any, given by the member with regard to sending of notices etc."*
- (xiv) The existing Article 17.2(b) be replaced with the following:-  
*"The quorum for a general meeting shall be as specified under section 103 of the Act."*
- (xv) The existing Article 21.1 (b) of the Articles be replaced with the following:-  
*"The Regional Chairmen shall be elected for a term of 2 (two) years. Their elections shall be held along with the elections to the panels of the Committee of Administration and shall be regulated by rules to be made by the Committee. Their elections shall be held along with the elections to the panels of the Committee of Administration."*
- (xvi) After Article 21.1 (b) the following new Article be inserted:  
*"21.1 (c) No Ordinary Member who has served as a Regional Chairman for 3 (three) continuous terms of 2 (two) years each, shall be eligible for re-election or re-appointment as a Regional Chairman or as a member from a Panel of the Committee at the next election for the subsequent term of two years."*

*Provided that the Regional Chairman-Eastern Region of the Council for the term 2012-14 shall stand exempted from the incumbency provision of retirement after 6 (six) continuous years in the Committee."*

- (xvii) The existing Article 23.1 (a) of the Articles be replaced with the following: -  
*"The Committee shall consist of product/commodity based Panels in the manner prescribed from time to time by the Committee by way of Election Rules. The elections for membership of the CoA shall be Panel-based."*
- (xviii) In Article 24.1 (h) of the Articles the word "rules" be replaced with "Articles"
- (xix) After the Article 26.1 (g), the following proviso be added:  
*"Provided that where a meeting of the Committee cannot be held for want of quorum, the meeting shall stand adjourned to the same day at the same time and place in the next week."*
- (xx) After Article 26.1 (k) the following sub-Article (l) be added:  
*"Any objection/proposed amendment to the minutes of a meeting, if received by the member within 10 (ten) days of the circulation of the minutes, shall be placed before the Committee at its next meeting, and where such objections/proposed amendments are confirmed by the Committee, appropriate rectifications shall be made in the minutes."*
- (xxi) Article 27.1 be substituted with the following new Article 27.1:  
**"27.1 Chairman of the Committee"**  
*1. The Chairman shall hold office for a period of 2 [two] years and shall retire from the post of Chairman accordingly. The Chairman shall not be eligible for re-election at the immediate next election.*  
*2. In the event the Vice-Chairman does not succeed the Chairman, the Chairman shall be elected by the members of the Committee from amongst the members of the Committee."*
- (xxii) In Article 27.2 (a) of the Articles of Association, after the words "...elected by the Committee" the followings words be inserted –  
*"from amongst the members of the Committee."*
- (xxiii) In Article 27.3.1 (a) the words "(including the Regional Chairmen)" be replaced with *"(including the Regional Chairmen, Chairman, Vice Chairman and the other members of the Committee elected from the Panels constituted under Article 23 of these articles.)"*
- (xxiv) In Article 27.3.2 the word "rules" be replaced with "Election Rules"
- (xxv) In Article 27.4 (a), the following words be added at the end:  
*"The Committee may by Election Rules provide that such representative/s of the small-scale industries shall be elected in a particular Panel as decided by the Committee."*

(xxvi) The existing Article 27.7 (a) of the Articles of Association be replaced with the following: -

***"27.7 Members Elected to the Committee from Panels***

*(a1) Members elected to the Committee from Panels shall serve a term of 6 [six] years subject to 27(a3) of this Articles.*

*(a2) One-third of the members elected to the Committee from Panels shall automatically retire by rotation every two years. The members to retire will be those who have been longest in office. As between members who have been elected to the Committee at the same time, those who are to retire shall be determined by lot by the election authority. The Vice-Chairman who is due to succeed as Chairman shall not be liable to retire in any such determination by lot.*

*(a3) Where an elected member of the Committee has served continuously for 6 [six] years, such elected member shall not be eligible for reelection or re-appointment to the Committee for a period of two years immediately after completion of such six years.*

*(a4) The Vice Chairman of the Council during the term 2012-14 will be exempt from this provision of 6 years as a one-time exception"*

(xxvii) After Article 27.8 of the Articles of Association, the following Article be inserted as Article 27.9: -

*"27.9 No member of the Committee of Administration shall hold more than one of the following posts at one time: -:*

- A. Chairman;*
- B. Vice-Chairman; and*
- C. Regional Chairman*

*Provided that if in case, the Vice Chairman of the Council for the term 2012-14 is elected as the Regional Chairman, in that scenario he will be eligible for exemption from the One man One post principle for the next two years on a one time basis for the elections of 2014/15."*

(xxviii) The existing Article 27.9 be renumbered as Article 27.10 and replaced with the following:

***"27.10 Rules***

*Rules made by the Committee shall make provisions regarding the elections to the office of the Chairman and Vice Chairman (from elected members of the committee) on matters not provided in these Articles and Election Rules."*

(xxix) Article 28.1 (a) of the Articles of Association be renumbered as Article 28.1 and be replaced with the following: -

*"The Chairman of the Committee of the Council shall be the Chairman of the Council and shall be responsible for the proper functioning of the Council."*

(xxx) After Article 32.1 (a) of the Articles, the following Article 32.1(aa) be added:

*"Concurrence of the Central Government shall be taken prior to the circulation, which concurrence shall be deemed to have been given if the Central Government fails to communicate its decision to the Chairman within 2 days from receipt of the request to grant concurrence"*

- (xxxi) In Article 35.1 (a), the word *"fourteen days"* be replaced with the following *"twenty-one days"*.
- (xxxii) In Article 35.1 (b), the following words be added at the end *"or by any electronic mode as prescribed under the Companies Act, 2013."*
- (xxxiii) Article 35.1 (c) be deleted.
- (xxxiv) In Article 36.3, the words *"Sections 179"* be replaced with *"Section 109"*
- (xxxv) In Article 38.1, the words *"Sections 193"* be replaced with *"Section 118"*
- (xxxvi) In Article 39.5 the words *"competent officer as required by the Companies Act, 1956"* be replaced with *"competent officer as required by the Companies Act, 2013"*
- (xxxvii) In Article 49 the words *"Companies Act, 1956"* be replaced with *"Companies Act, 2013"*
- (xxxviii) Sub-Article (c) of Article 3.3 of the Articles be merged with sub-Article (b) thereof and will now be recognized as *Article 3.4 (b)*
- (xxxix) In Article 8.3 of the Articles, in place of the words *"article 3.2"*, the words *"article 3.4"* be substituted.

**"RESOLVED FURTHER THAT** Mr. Sabyasachi Ray, Executive Director, or any one member of the Committee of Administration be and is hereby, jointly/severally, authorized to sign and file all the necessary forms, applications, returns with the Registrar of Companies, Maharashtra, Mumbai, and to do all such acts, things and deeds, as may be deemed fit, to give effect to this resolutions."

**By Order of the Committee of Administration**

**Sd/-**

**Sabyasachi Ray**  
**(Executive Director)**  
DIN: 06465601

Date: April 25, 2015  
Place: Mumbai

**EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013:**

The Council was in receipt of a communication from the Ministry of Commerce and Industry (MoC&I) dated February 18, 2014 which inter-alia, proposed certain recommendations with respect to the representation of the members through panels in the Committee of Administration (CoA), based on the performance and potential of the panels. The same was duly deliberated at length in the 12th CoA meeting (2012-14) which was held on March 26, 2014 in Delhi and suitable decisions were made by the CoA to this effect. Subsequently the Council received another circular from the MoC&I dated May 27, 2014 having Ref No: "D.O. No. 12/36/2009-EP (G&J)" which contained several guidelines with a view to provide greater transparency and accountability in the functioning of the Export Promotion Councils. These guidelines were taken up for discussion by the CoA in its 13th Meeting (2012-14) held on June 17, 2014 in Mumbai and based on such discussions the Council unanimously passed resolutions which necessitated adequate amendments to the Articles of Association of the Council.

In addition to the above, the Companies Act 2013 (CA 2013) came into force on April 1, 2014. "CA 2013" mandated numerous other provisions & additional compliances to be met by an incorporated Company as a measure of mandatory compliance. Again it was understood that in order to comply with the provisions contained in the CA 2013, it would be again necessary to make suitable amendments to the Articles so that proper synchronization can be done with respect to the provisions of CA 2013 and all the amendments necessary to be made in this regard in the Articles of Association of the Council.

The Council sought a comprehensive legal opinion from its solicitors, M/s Wadia Ghandy & Co. on all the recommendations and decisions of the CoA, the guidelines dated May 27, 2014 issued by MoC&I, current election process followed in the Council and the amendments in the Articles needed to be implemented as per the revised provisions of the CA 2013. Based on such legal advice as obtained from time to time from its solicitors, the Council addressed two separate communications to the Ministry containing the comprehensive list of amendments to the Articles of Association and the other containing the corresponding changes necessary to be made in the Election Rules of the Council. The MoC&I vide its communication dated January 13, 2015, having Reference No F. No. 1/1014/2014-EP(G&J) approved the proposed amendments to the Articles of Association of the Council.

However, the MoC&I while approving the said proposed amendments to the Articles of Association suggested further amendments vide its communication dated January 13, 2015. The CoA, at its 16<sup>th</sup> Meeting (for the term 2012-14) held on January 30, 2015,

duly deliberated in detail the further amendments required by MoC&I and sought its clarification on certain matters.

The MoC&I vide its Order No. 1/1014/2014-EP(G&J) dated March 16, 2015, (*enclosed at Annexure-I*) read with MoC&I letter dated March 24, 2015, conveyed the approval of the Central Government to the proposed alterations in the Articles of Association of the Council as submitted by the Council vide its letter No. GJEPC/SEC/2014-15/01184 dated October 30, 2014 along with the amendments suggested by the Department of Commerce vide its letter No. 1/1014/2014-EP(G&J) dated January 13, 2015.

The Committee of Administration of the Council in its 16<sup>th</sup> Meeting held on 30<sup>th</sup> January, 2015 had authorized Chairman, Vice Chairman and Executive Director, jointly, to accept, adopt and incorporate the amendments to be suggested by the MoC&I in the AoA and thereafter issue the notice of the Extra Ordinary General Meeting."

Based on the above resolution, the Articles of Association of the Council were consolidated jointly by the Chairman Shri Vipul Shah, Vice Chairman Shri Pankaj Parekh and Executive Director, Shri Sabyasachi Ray. Further, for the purpose of good order and record and in order to enable the Council to ensure accurate and adequate execution of all the directions of the Ministry, the Council vide its letter dated March 30, 2015 had sent the consolidated version of the Articles of Association of the Council for the consideration and approval of the Ministry, the approval of the Ministry on the said consolidated Articles of Association of the Council was received from Ministry vide its letter dated April 24, 2015.

Hence, the CoA has listed the amendments to the Articles of Association of the Council as contained in the draft special resolution to be put forth before the members for approval as special resolutions vide the directions of the Central Government under Article 51 of the Articles of Association of the Council which is reproduced as under:

***"51. GENERAL POWER TO MODIFY:***

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

The copy of the Letters and/or communication referred above including the draft of altered Articles of Association would be made available at the registered office of the Company; any member interested may, subject to submission of a written request addressed to the Executive Director of the Council inspect the same on any working day during its working hours between 11.00 a.m. to 04.00 p.m. only.

None of the Directors or their relatives are concerned or interested in the proposed special resolutions.

**By Order of the Committee of Administration**

**Sd/-**

**Sabyasachi Ray**

**(Executive Director)**

DIN: 06465601