



ADVERTISING
AGENCIES
ASSOCIATION OF
INDIA

MEMORANDUM OF ASSOCIATION

AND

RULES AND REGULATIONS

(Updated as on 26th June 2009)

Incorporated Under

The Societies Registration Act, 1860, in Bombay
Registration No.BOM/576/80 dated 24.9.1980

The Bombay Public Trust Act, 1950
Registration No. F 6529 (BOM) dated 20.1.1981

ADVERTISING AGENCIES ASSOCIATION OF INDIA

MEMORANDUM OF ASSOCIATION

1. The name of the Association is ADVERTISING AGENCIES ASSOCIATION OF INDIA.
2. Registered Office of the Association shall be situated at (*earlier*: 111-A, Mahatma Gandhi Road, Opp: - Rajabai Clock Tower, Fort, Bombay – 400 023 *)
35, Maker Tower 'F', Third Floor, Cuffe Parade, Mumbai 400 005 (Maharashtra) and/or at any other places or place in India as may be decided by the Management from time to time.

* Amended at General Body of the Advertising Agencies Association of India, held on Friday, 30th July 2004

3. The objects for which Association is established for the benefits of Members only as under :
 - a] To take over the assets, properties and engagements of the present unregistered Society in Bombay/Maharashtra known as Advertising Agencies Association of India;
 - b] To raise and improve the standard of publicity and advertising by all practical means;
 - c] To encourage and preserve a high standard of industrial design;
 - d] To arrange for Educational courses in the profession of advertising for the staff and/or its members;
 - e] To enlist the services of experts in the art of advertising on payment of fees or otherwise;
 - f] To arrange for exhibition and displays;
 - g] To open Libraries and Clubs for the staff and/or its members as may be expedient;
 - h] To encourage and maintain a high level of business and professional integrity amongst advertising agencies and their suppliers;
 - i] To encourage and secure friendly relations and unanimity amongst members of the advertising profession and advertising agencies in India, on all or any one or more subjects connected with their common good; and for that matter to associate co-operate and/or affiliate the association to the Asian or world organisation or federation established with similar objects and to participate in deliberation of world or Asian organisations or meetings.
 - j] To promote the legitimate interests of its members by all lawful means;
 - k] To secure good relationship between members of the association and for that purpose, to arbitrate in disputes arising between them; and disputes between them and advertiser or owners of media;

- l] To promote the welfare of persons engaged in the business of advertising and to set the standard of employment of such persons; and for the purpose to join or associate with other organisations in the field of advertising and communication;
- m] To survey all matters in any way affecting the business and profession of advertising and of all developments thereof and to decide upon initiate, and support proper methods to deal with any contingency affecting the said business or profession, that may arise, and for that matter to co-operate and/or associate with association or organisation of advertisers and/or media owners.
- n] To publish journals, periodicals and other publications in furtherance of objects of the Association and for the benefit of its members;
- o] To construct upon any premises acquired for the purposes of the Association any building or buildings for the purpose of the Association and to alter, add to, or remove any building upon such premises;
- p] To do all such and other things as are incidental or conducive to the attainment of the above objects.

PROVIDED HOWEVER that the income as well as the corpus or any part thereof shall not be applied or utilised, paid or spent outside India and the whole or any part of the income or corpus or assets of the Trust and its fund shall not be transferred or applied for any purpose other than aforesaid charitable purposes AND the Trustees will not do, involve in carrying on any activity for profit other than the business which is carried on in the course of the actual carrying out of the primary objects of the Trust. AND PROVIDED FURTHER THAT NOTWITHSTANDING anything hereinabove or hereinafter contained the income as well as the corpus of the Trust Fund shall be applied and be applicable for such charitable purposes only and within such territories only and subject to such conditions or limitations, if any, as may from time to time be prescribed by the Income-Tax Act, 1961 or the Wealth Tax Act, 1957 or any statutory modifications thereof for the time being in force or re-enactment thereof governing taxation of income or wealth as will ensure or make the Trust income hereby established and its wealth as eligible for exemption from Taxation under the Income-Tax Act, 1961 and the Wealth Tax Act, 1957 or any replacement or any re-enactment or any modification AND FURTHER that the Trust hereby established shall be recognised or approved by the Income-Tax authorities for exemption or deduction or relief under the provision of Section 80-G of the Income-Tax Act, 1961 or any replacement or re-enactment or modification thereof or such or similar enactment for the time being in force in India.

4. The Management and affairs of the Association (Society) is entrusted in accordance with the Rules and Regulations of the Association (Society) to the Executive Committee (Governing Body) of which First members are as under:

S.No Name and Address

1. Mr S R Ayer
Managing Director
Ogilvy Benson & Mather Pvt Ltd
Steelcrete House
Dinsha Wachha Road
Bombay 400 020
2. Mr K Kurian
Chief Executive
Radeus Advertising Pvt Ltd
19, Shah Hosue
55, Shahid Bhagat Singh Road
Bombay 400 039
3. Mr V Dharmarajan
Managing Director
Creative Unit Pvt Ltd
Sassoon Building, 2nd Floor
143, Mahatma Gandhi Road
Bombay 400 023
4. Mr P V Gadgil
Partner
Radical Publicity
60/2 Court Chambers, 6th Floor
35, New Marine Lines
Bombay 400 020
5. Mr L Grant
Larry Grant Communications
Farrokh Mansion, 3rd Floor
16, Pitha Street, Fort
Bombay 400 001
6. Mr Prakash Hansraj
Executive Director
PH Advertising
213/15, Jolly Bhavan-I
10, New Marine Lines
Bombay 400 020
7. Mrs N V Wadia
Managing Director
Inter Publicity Pvt Ltd
Ballard House, P.B. No.544
Mangalore Street
Bombay 400 038

5. We the undersigned persons being desirous of forming into an Association (Society) to be registered under Societies Registration Act, 1860 and have subscribed our names and addresses to this Memorandum of Association.

S.No Name and Address

1. Mr S R Ayer
2. Mr K Kurian
3. Mr V Dharmarajan
4. Mr P V Gadgil
5. Mr L Grant
6. Mr Prakash Hansraj
7. Mrs N V Wadia

Place: Bombay

Date: September 1, 1980

**RULES & REGULATIONS
OF
ADVERTISING AGENCIES ASSOCIATION OF INDIA**

PART – I

DEFINITIONS

1. DEFINITIONS :

In these Rules, unless there is anything repugnant in the subject or context;

- a. "Association" means the Advertising Agencies Association of India.
- b. "Executive Committee" or "Governing Body" means a Committee constituted by the General Body as hereinafter provided.
- c. The term "Member", "President", "Vice-President", "Honorary Secretary" and "Honorary Treasurer" means respectively a Member, the President, the Vice-President, the Honorary Secretary, the Honorary Treasurer of the Association.
- d. "Members" means a full-fledged member other than Associate or Provisional member.
- e. "Membership Register" means a record of member agencies showing
 - i] the name and address of each of the Member agencies;
 - ii] name of their representative on the Association, and
 - iii] the 'Category', 'Group', and the 'Zone' to which they belong.
- f. "General Body" comprises the entire membership of the Association as shown in the Membership Register maintained by the Association.
- g. "Year" means the official year of the Association beginning from 1st April and ending 31st March and the first such year shall end on 31st March, 1990.
- h. "Firm" means and includes a partnership firm or joint family business or other Association of individuals.
- i. "Organisation" means and includes proprietary concern, partnership concern, limited company or the like.
- j. "Advertising Agency" or "Agency" means an independent organisation practicing advertising and capable of offering unbiased advice to clients on the best and most effective means of mass communication for usefully bringing to the notice of the market the feature and qualities of the product and/or service advertised.
- k. "Rules" means the Rules and Regulations of the Association.
- l. Words denoting the singular also denote plural number and vice versa.
- m. Words denoting the masculine gender also denote the feminine gender and vice versa.
- n. Bye-law means Bye-law of the Association.

PART – II

MEMBERSHIP

2. ADMISSION :

It shall be open to the Association to admit as its Member, Associate or Provisional member, any organisation, firm or company which independently carries on the business of Advertising Agency and conforms to the minimum standards of business practices and professional skills prescribed by the Association for the purpose.

3. TYPES OF MEMBERSHIP :

There shall be three types of membership as under:

- a] Members
- b] Associate Members
- c] Provisional Members

4. ELIGIBILITY FOR MEMBERSHIP :

- a] Membership of the Association shall be open only to organisations, firms or companies practicing advertising.

MEMBERS :

- b] Any organisation, firm or company carrying on advertising profession and having a permanent office in the territory (i.e. India) covered by the Association and which conforms and agrees to conform to the minimum standards of business practices and professional skills as may be prescribed by the Association, from time to time, is eligible for the Membership of the Association.

ASSOCIATE MEMBERS :

- c] Any organisation, firm or company which operates as an advertising agency but has no permanent office within the aforesaid territory covered by the Association is eligible for admission as 'Associate Member'.

PROVISIONAL MEMBERS :

- d] Such advertising agencies which are operating within the territory covered by the Association and which do not fully comply with the provisions as prescribed by the Executive Committee to the standard of full-fledged membership may be enrolled as Provisional Members. Provisional Member must qualify for full-fledged membership within two years from the date of admission.

5. APPLICATION FOR MEMBERSHIP :

- a. Those eligible and desirous of becoming members of the Association shall fill in the membership application form as may be prescribed from time to time by the Executive Committee and send it to the registered office of the Association.
- b. Membership applications received would be considered by the Executive Committee in accordance with the procedure it may lay down from time to time.
- c. The decision of the Executive Committee shall be final. The Executive Committee is not under any obligation of explaining the decisions on membership applications.
- d. When an application for membership is rejected, the applicant is debarred from making a fresh application within six calendar months from the date of rejection of such application.

6. MEMBERSHIP CATEGORIES AND GROUPS :

For the purpose of admission and for determining subscription payable by Members they shall fall under one of the under mentioned Categories and be classified into the following Groups on the basis of revenue or income booked. Each Member Agency shall submit before 28th / 29th February every year, a certificate from a Chartered Accountant confirming the Agency's revenues for the latest audited accounting year.

a) CATEGORIES

Agencies are categorised further under the following classifications:

- (i) Full Service Agency
- (ii) Creative Agency
- (iii) Media Agency

b) GROUPS

A Member can opt to get himself classified under any one of the above Categories based on the type of service he provides. Options once exercised shall hold good for a minimum period of three years. All Agencies will fall under one of the four Groups given below based on the Revenue in the previous financial year.

- Group I - Shall comprise of members having revenue in the previous year upto Rs.25 crores.
- Group II - Shall comprise of members having revenue in the previous year above Rs.25 crores but upto Rs. 50 crores.
- Group III - Shall comprise of members having revenue in the previous year above Rs.50 crores but upto Rs.75 crores.
- Group IV - Shall comprise of members having revenue in the previous year above Rs.75 crores.

7. MEMBERSHIP SUBSCRIPTIONS FOR ALL CATEGORIES:

- a. Every member of the Association shall pay yearly subscription fixed as under. In Group I alone, in order to provide for lower subscription from smaller Advertising Agencies the Group is subdivided in to three sub-groups. Group I will however be dealt with together for all other aspects.
- (i) Annual subscription payable by members falling under Group I –
 - Sub Group I A with revenues of up to Rs.5 Crores
- Rs.10,000/-
 - Sub Group I B with revenues of over Rs 5 Cr and up to Rs.15 Crores
- Rs.30,000/-
 - Sub Group I C with revenues of over Rs 15 Cr and up to Rs.25 Crores
- Rs.60,000/-
 - (ii) Annual subscription payable by members falling under Group II
- Rs.1.00 lakh
 - (iii) Annual subscription payable by members falling under Group III
- Rs.2.00 lakhs
 - (iv) Annual Subscription payable by members falling under Group IV
- Rs.3.00 lakhs
- b. Every Provisional Member shall pay annual subscription of Rs.50,000/-
- c. Every Associate Member will pay annual subscription of Rs.50,000/-

The above subscription fees shall be effective from the year 1st April 2009 onwards unless the Member has paid the subscription for the year 2009-10 on the day of passing of this resolution at the earlier prescribed level.

8. ENTRANCE FEES :

- a] Member: A flat entrance fee of Rs.1,00,000/- shall be payable by every agency admitted as a member, from hereafter.
- b] Associate and Provisional Member: Every Associate and Provisional Member shall pay entrance fee of Rs.50,000/-. On his being admitted as a member, he shall pay further entrance fee of Rs.50,000/-.

9. CHANGES IN MEMBERSHIP SUBSCRIPTION :

- a] Changes in Membership Categories, Groups and subscriptions can be made as hereinafter provided.
- b] On the recommendation of the Executive Committee the General Body may from time to time consider revision of membership groups and subscriptions payable by the members. Such variation in groups and subscriptions payable shall be binding on all members provided they are adopted by a majority of at least 75 per cent of the total membership of the Association.

10. FINANCIAL YEAR :

Henceforth the financial year of the Association shall be calculated from 1st April to 31st March, and the first such year will end on 31st of March, 1990.

11. TIME LIMIT FOR PAYING SUBSCRIPTIONS :

A member shall pay his subscription before the 28th/29th of February every year, failing which he will be given one month's notice for payment of annual subscription. For the year 2009-10 alone when new Categories of Membership are being admitted under new Groups, Entrance Fees and Annual Subscription can be accepted from new members whom the Executive Committee consider eligible till July 31, 2009. Such new Members shall be eligible for nomination and election to the Executive Committee for the year 2009-10. Further, the current Members have to declare themselves falling under one of the three Category of membership before the said date of July 31, 2009 which Category they shall fall under for three years thereafter.

12. TERMINATION OF MEMBERSHIP ON FAILURE TO PAY SUBSCRIPTION :

- a] Membership of a member who is in arrears of subscription after the expiry of the notice period shall be deemed to have been automatically terminated. But the agency concerned shall continue to be liable for payment of subscription for the year. In the event of the Association being wound up within a period of one year from the date of such termination, he shall continue to be liable in terms of Clause 67(b) hereof.
- b] If the agency, however, pays the arrears of subscription after one month of expiry of the notice period, the Executive Committee may, if it thinks that the case needs sympathetic consideration, waive the "automatic termination" clause and allow the agency to continue as a member with the proviso that for the current year the member will not be eligible for election at the immediate next Annual General Meeting.
- c] Any agency admitted as a member during the latter half of the official year (i.e. between 1st October and 31st March) shall pay half the yearly subscription.

13. PRIVILEGES OF MEMBERS :

- a] Each member of the Association shall be entitled :
 - i. to one vote only which can be exercised at all meetings of the Association or its committees where he serves as a member;
 - ii. to attend and to participate in decisions, act and vote at all the meetings of the General Body of the Association;

[Explanation: Each member agency shall nominate its representative on the Association. He shall vote for his agency. If he is unable to attend a meeting he may participate and vote through a proxy duly notified as hereinafter provided].

- iii. to attend and to participate only in zonal activities of the Association through their respective branches in the respective zones;
- iv. to obtain gratis all free publications of the Association; and
- v. to the free use of the Association's library and such other facilities which the Association may provide from time to time for its members.

b] Privileges Of An Associate Member Or Provisional Member :

Each of the above categories of members shall be entitled :

- i. to participate in the activities of the Association, but will have no right to vote at the meetings of the Association or its committees;
- ii. to obtain gratis all free publications of the Association; and
- iii. to the free use of the Association's library and such other facilities which the Association may provide from time to time for its members.

14. MEMBERSHIP IS NON-TRANSFERABLE :

If a member agency merges into a non-member agency its membership shall be deemed to have been terminated from the date of merger and not vice versa.

15. CHANGE IN NAME OR CONSTITUTION OF MEMBERS :

- a. A firm or company shall not cease to be a member by reason of a change :
 - i. In the conventional name in which such firm or company was elected a member, provided there is no change in the constitution occasioned by the admission, death or retirement of a partner or director, or
 - ii. In the constitution of the firm or company occasioned by the admission or retirement or death of a partner or director provided the business of the firm or company is continued in the conventional name in which such firm or company was elected.
- b. A firm or company shall, however, cease to be a member if there is a change in the conventional name in which it was elected a member, or on account of a change in its constitution occasioned by any reason whatsoever, and in the case of a partnership firm occasioned by the admission, death or retirement of a partner.
- c. A member shall cease to be a member in the event of major changes in its constitution, which may enable an advertiser or a group of advertisers and/or media owner or a group of media owners, supplier or a group of suppliers, to exert undue control in the member agency, by acquiring financial interest in a member agency.
- d. A firm or company ceasing to be a member as a result of clause (b) hereinabove, shall continue to be liable for the subscription for the year in which the change stipulated in clause (b) hereinabove, have been intimated to the Association unless the firm/company concerned gives to the Association a clear three months' notice prior to the closing of the Association's year (viz. March 31) signifying its intention to resign the

membership of the Association.

16. RESIGNATION :

- a. A member desirous of resigning from the membership of the Association shall do so by giving three calendar months' notice in writing to the Secretary and upon the expiration of the notice period such member shall cease to be a member.
- b. In case the notice period runs into the new year of the Association commencing from 1st April he will be liable to pay full subscription for the new year and shall continue to be liable as provided in Clause 67(b) hereof should the Association be wound up within a period of one year from the date of termination of the membership.

17. DISQUALIFICATION FOR MEMBERSHIP :

- a. A member shall cease to be a member by reason of :
 - i. being expelled by the General Body,
 - ii. being adjudged insolvent,
 - iii. winding up advertising business voluntarily or under orders passed by a Court or other competent authority.
- b. A member when disqualified for membership, its representative shall automatically and instantaneously be deemed to have ceased to hold any office of the Association or represent the Association or any other body.

18. MEMBERSHIP REGISTER :

- a. The Secretary of the Association shall maintain a Membership Register showing –
 - i. name and address of every member agency,
 - ii. name of agency's representative on the Association, and
 - iii. Category, Group and Zone to which it belongs.
- b. All communications emanating from the Association, including notices of meetings, shall be addressed to the representative and such communication sent by email and/or courier and/or fax as well as under Certificate of Posting on the address recorded in the membership register, shall be deemed to have been received by the member concerned and no complaint of non-receipt will vitiate the decision taken and/or course of action adopted by the Executive Committee or the General Body as the case may be. Such decisions or actions shall be binding on the member concerned.
- c. A director, partner or proprietor or any executive of a member agency will be qualified to represent the member agency of the Association provided due notice in writing is given to the Association as hereinafter provided.
- d. Any change in address or in the name of the representative be at once notified to the Secretary by Registered Post, to enable him to maintain the Register up to date. The Secretary shall acknowledge such letter and confirm the action taken.
- e. Accidental omission or non-receipt of a notice or voting paper or any other

communication from the Association shall not vitiate the proceedings of the meeting of the Association.

19. SUSPENSION OR EXPULSION :

- a. If the Executive Committee feels that any member is guilty of violating the provision of the following Chapter I, II, III and IV of Bye-Law (C), the Executive Committee shall have the power to make due enquiries.
- b. If after making due enquiries and considering such explanation as the member concerned may wish to offer, the Executive Committee is satisfied that it is necessary in the interest of the Association to suspend or expell that member from the Association, on the ground that he is otherwise guilty of conduct prejudicial to the interest of the Association, the Executive Committee shall pass a resolution to that effect.

The Executive Committee shall thereafter circulate to all members a copy of its resolution together with its report on the enquiry made into the matter and shall convene an emergency meeting of the General Body within six weeks of such circulation for the purpose of considering the matter. If at such a meeting of the General Body, the resolution of the Executive Committee suspending or expelling the member is ratified by the majority of not less than 2/3rds of the members present and voting, such member shall be suspended or expelled as the case may be.

PART – III

PRESIDENT

20. PRESIDENT :

- a. The organisational head of the Association shall be the President who shall be elected by the General Body as per the election procedure laid down in Appendix “A” from amongst those whose names appear on the Membership Register as persons entitled to act and vote as the representative of their respective agency and are entitled to be elected as office bearers.
- b. If, for any reason, the office of the President falls vacant it shall be filled in through election within two months from the date it fell vacant.

21. TENURE :

The President shall hold office until the next annual election. The President, unless he resigns or is removed from his office by a vote of no confidence passed at any meeting of the General Body by the majority of not less than 2/3rds of the membership of the Association, shall continue to hold the office even if all the members of the Committee jointly or severally resign or even when the Executive Committee is dissolved by a vote of no confidence by the General Body.

22. POWER AND FUNCTIONS :

- a. On a person entitled to represent a member being elected as President, he shall cease to be the accredited representative of such member for the purpose of the business of the Association, during the tenure of his office, and such member shall, during such time, be represented by other duly authorised to act on behalf of such member. The name of the President shall not, however, be removed from the register on the ground that by virtue of his office, he has ceased to be an accredited representative of a member, and notwithstanding the fact that he has ceased to be an accredited representative during the tenure of his office, he shall be deemed for the purpose of the preceding Clause 13 to be a person entitled to act and vote on behalf of the member of the Association.
- b. The President, along with the Executive Committee, shall guide the activities, business and affairs of the Association so as to best promote the objectives of the Association and the larger interest of the profession.
- c. He shall represent the Association before all agencies, government or any other body and act and sign on behalf of the Association in all matters concerning the business of the Association in accordance with such directives as may be given by the Executive Committee and/or the General Body.
- d. The President, if present, shall preside at **all** meetings of General Body and Executive Committee held during the term of his office.
- e. The President shall have no vote except a casting vote at meetings of the General Body and the Executive Committee.

PART – IV

GENERAL BODY

23. GENERAL BODY :

- a] The General Body shall be the supreme authority on all matters concerning the business of the Association.
- b] The General Body may give directions from time to time to the Executive Committee on the policy of the Association and the management of the Association's funds, and/or any matter pertaining to the business and affairs of the Association.
- c] If it is found by the Executive Committee that the provision of the Rules and Regulations do not cover a particular situation, the Executive Committee shall take a decision and refer it to the General Body. Such decision of the Executive Committee when ratified by 2/3rds majority of the membership of the Association shall be valid as if it was part of the Rules and Regulations of the Association, but of such changes where 75 per cent majority is necessary, (i.e. for such changes as mentioned in the Rules and Regulations of the Association which require 75 per cent majority) it will have to be ratified by not less than 75 per cent of the Association to make

such decision valid and binding.

24. MEETINGS :

a. Annual General Body Meeting

The General Body shall meet latest by the end of July every year at a time and place as fixed by the Executive Committee. The following business shall be transacted at such a meeting called 'The Annual General Body Meeting'.

- i. To receive and adopt the Annual Report of the Executive Committee of the Association.
- ii. To receive and adopt audited statement of accounts.
- iii. To elect the President for the ensuing year.
- iv. To elect members to the Executive Committee.
- v. To elect the Vice-President from amongst the elected members of the Executive Committee.
- vi. To consider such other subjects as are included in Agenda and as are brought before the meeting with the permission of the Chair.

Twenty one days notice of every Annual General Body Meeting shall be given in writing to all the members.

b. Ordinary Meetings

Whenever felt necessary, the Executive Committee will convene Ordinary Meeting of the General Body by giving 21 days notice in writing to all the members.

c. Emergency Meeting

If the President or in his absence, the Vice-President or the Executive Committee deems it expedient that an emergency meeting of the General Body be convened to decide upon an urgent and/or important matter, concerning the business and affairs of the Association or affecting the overall interests of the agency profession, the President or Vice-President or the Committee as the case may be, shall have the power to convene an "Emergency Meeting" of the General Body and for such meeting 10 days notice shall be given in writing to all the members of the Association.

d. Requisitioned Meeting

If five members or 1/3rd of the total membership of the Association whichever is greater, shall by requisition in writing signed by them addressed to the Executive Committee and containing a statement of their reason for the requisition, request the Executive Committee to call a meeting of the General Body, the Committee shall call such a meeting to be held within 35 days after the receipt by the Executive Committee of the said requisition; and if the Executive Committee refuses or neglects to convene such General Body Meeting within the time aforesaid, the signatories to the requisition shall have the power to call such a meeting of the General Body to be held on such a day as they themselves shall appoint. In the case of such meeting held in pursuance of a requisition, the Executive Committee or in the alternative, the signatories of the requisition shall give 21 days notice to all the members of the date and agenda fixed for such meeting.

e. Special Meeting

Should the President's office and/or the Vice-President's office fall vacant and if at the same time the Executive Committee has been dissolved or if the majority of the members of the Executive Committee have resigned, the remaining members of the Executive Committee or the Secretary along with any five members of the Association shall jointly have the power to convene a special meeting of the General Body for filling the vacancies. No other business shall be transacted at such a special meeting which shall be convened at 21 days notice in writing to all members of the Association.

25. QUORUM :

- a. At any meeting of the General Body except the above referred Special Meeting, the quorum shall be constituted if 1/3rd of the total members of the Association are represented at such meeting.
- b. If, at the appointed time for the meeting the prescribed quorum is not present, then the meeting shall be adjourned for half an hour. If, within the half an hour period, the required quorum is not present, then the adjourned meeting shall be conducted with the members present who shall be competent to transact all business included in the agenda of the said meeting.
- c. At a special meeting of the General Body the quorum shall be constituted if 25 per cent or more of the total members of the Association are represented.

26. PROXY :

- a. Every member is entitled to attend and participate, vote and be voted in the meetings either in person or through proxy duly notified to the Secretary. Proxy in such cases shall be an employee of the member or a member of the Association.
- b. A member who is represented by a proxy shall be deemed to be present at the meetings of the General Body for the purposes of quorum and of counting of votes.

27. AGENDA :

The Agenda for every meeting of the General Body shall be circulated along with the notice convening the meeting.

28. RESOLUTIONS :

- a. No resolution purporting to lay down a policy on any of the following matters shall be binding on all the members of the Association unless such a resolution has received the support of not less than 75 per cent of the total membership of the Association.
 - i. Matters pertaining to the standards of business practice and professional skills to which the members are expected to conform.
 - ii. Matters pertaining to the relationship between advertising agents, media owners and suppliers.
 - iii. Matters or projects involving the Association in Capital expenditure or borrowing exceeding Rs.10,00,000/-.
 - iv. Variation of the subscription of any or all of the groups as provided in Clause 6 & 7.
- b. All other resolutions not requiring special majority shall be deemed to have been passed by a simple majority by show of hands unless demanded otherwise by at least 1/3rd of the members present at the meeting.
- c. The Chairman of the meeting may, at his discretion, decide to refer any of the above referred other resolutions to the members not present. The Chairman shall announce in the meetings his decision to refer the resolutions to those members who are not present at that meeting of the General Body. A resolution, so referred, shall not be deemed to have been passed unless it receives the support of the majority of those who have voted on the resolution either at the time of the General Body Meeting or by post on a reference from the Chairman.

PART – V

ZONES

29. ZONES :

The territory covered by the Association shall be divided into the following four zones :

- a. **West** which includes the States of Maharashtra, Gujarat, Madhya Pradesh, Goa & Union Territory of Daman & Dui.
- b. **East** which includes the states of West Bengal, Orissa, Bihar, Assam & other Eastern States, Andaman & Nicobar.

- c. **North** which includes the States of U.P., Rajasthan, Himachal Pradesh, Punjab, Haryana, J & K, and other Northern States.
- d. **South** which includes the States of Tamil Nadu, Kerala, Karnataka & Andhra Pradesh & Union Territories of Pondicherry / Lakshwadeep.
- e. Since the Association is located in the Western Zone and many members come from this Zone, no representative is elected to the Executive Committee from West Zone. The Executive Committee could nominate one elected member from the West Zone to act as West Zone convenor.

30. ZONAL COMMITTEES :

- a. Each zone shall have a committee called 'Zonal Committee' comprising of all the members from that particular zone. The Zonal Committee will be headed by the elected Zonal representative as the Zonal Convenor. The Zonal Committee will primarily deal with matters of Zonal importance and it shall function under the guidance and shall be responsible to the Executive Committee.
- b. The Zonal Committee shall consist of one representative each of all the members having their office within the zone and it shall have a convenor elected by such representative. The Convenor shall ordinarily hold office for a period of one year or until the next Annual General election or until his removal from office by a vote of no confidence passed at the Zonal Meeting by a majority of not less than 2/3rd of the total membership of the Zonal Committee, or until he ceases to be entitled to act and vote on behalf of a member of the Association or until his resignation, whichever is earlier.

The Convenor shall at all times be entitled to represent and act and vote for the member for whom he is accredited, although he has been elected as a Convenor, but he shall have no casting vote.

31. POWERS :

The Zonal Committee shall be primarily concerned with matters of zonal importance and they shall function in accordance with such rules and regulations as may be laid down for the purpose by the General Body or the Executive Committee.

PART – VI

EXECUTIVE COMMITTEE

32. EXECUTIVE COMMITTEE – (GENERAL) :

The affairs, business and funds of the Association shall be managed by the Executive Committee in accordance with the direction given by the General Body from time to time.

33. COMPOSITION :

Executive Committee shall consist of minimum 5 members and maximum 21 members or such other members as may be decided by the members in the General Body Meeting.

- a.
 - i. There will be upto a maximum of 21 members in the Executive Committee
 - ii. Eight representatives from the Full Service Agency, two representing from each Group classified in Article 6
 - iii. Four representative from the Creative Agencies, one from each Group as mentioned in Article 6
 - iv. Four from the Media Agencies representing one from each group as mentioned in Article 6
 - v. One representative from each zone - North, East and South totalling to three representatives from Full Service Agency.
 - vi. President
 - vii. One ex-officio member – immediate Past President
- b. Executive Committee comprises of :
 - i. President
 - ii. Vice-President (elected from the 19 representatives – Clause 33 a(ii), (iii), (iv) and (v) at the AGM
 - iii. Elected Representatives of the three Zones on the basis of one representative for South, East and North Zones.
 - iv. Elected Representative of the various Groups of members as defined in Clause 6.
 - v. Immediate Past President
- c. The Executive Committee will have at least :
 - i. one representative from each zone of South, North and East, and
 - ii. one representative from each Group of membership.
Provided a candidate is duly nominated in the prescribed form from each zone and each group of membership
- d. If at the time of the election of Executive Committee nobody from a particular Category, Group or Zone is willing to represent a particular Category, Group or Zone as the case may be, then that particular seat will not be filled through election. This would not vitiate the formation of the Executive Committee. The seat so left vacant may be filled through co-option by the Executive Committee within a period of two calendar months from the date of Annual Election.

e. Ex-Officio Member :

The immediate Past-President will be an ex-officio member of the Executive Committee for a period of one year, or for longer periods due to special circumstances duly extended by the General Body by passing a Resolution to this effect. He will, however, be eligible for re-election as a member of the Executive Committee.

- f. If, subsequent to the Annual Elections, a vacancy/ies in the Executive Committee is/are created for any reason whatsoever, the Executive Committee shall fill in the same within two months from the date of such vacancy/ies is/are created, by co-option provided that the member/s so co-opted shall hold office until the next Annual Election.

NOTE: This Clause 33 shall apply from the year 2009-10 and nominations and elections shall take place accordingly. The Executive Committee is authorised to take such actions as may be needed to constitute an Executive Committee as provided herein.

34. RETIREMENT BY ROTATION :

- a. Executive Committee will be elected afresh on or before 31.12.1981 or such other date as may be determined by the present Executive Committee but not later than 30.4.1982.

One year after the date of the Annual General Body Meeting held after the meeting as stated herein before, 50 per cent of the elected members of the Executive Committee will retire by lot on the date of such Annual General Body Meeting and their seats will be filled in through election. Those retiring by rotation will be eligible for re-election.

- b. Subsequent to the first retirement as aforesaid remaining 50 per cent of the members of the Executive Committee will retire on the date of the next Annual General Meeting but will be eligible for re-election.
- c. This process for the election of the Executive Committee will repeat every year.

35. CHAIRMAN OF THE COMMITTEE :

The President of the Association shall be the ex-officio Chairman of the Executive Committee.

36. MEETINGS :

- a. The Executive Committee will try to meet as far as possible once in two months or as often and in such places as are considered necessary and convenient for transacting the business and affairs of the Association. Provided that the Executive Committee shall meet at least six times during the year and shall endeavour to hold at least one of these six meetings in Bombay/Delhi/Calcutta and Madras.
- b. A member who does not attend any two consecutive meetings of the Executive Committee without proper or valid reason, his seat may be declared vacant by 2/3rd majority of the members of the Executive

Committee and a new member may be co-opted in his place.

37. POWERS :

a. General Powers :

The Executive Committee shall, subject to the direction of the General Body and the provision of these Rules, exercise all such powers and do all such acts and things as the Association is by law or by these Rules or otherwise authorised to exercise or do.

b. Special Powers :

In furtherance of and without prejudice to the General Powers conferred by or implied in the last preceding sub-clause (a), and all other powers conferred by those present it is hereby expressly declared that the Executive Committee shall be entrusted with and may exercise and perform the following powers and rules :

- i. To co-operate with any other individual and to subscribe to, to become a member of and to co-operate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of this Association and to procure from or to communicate to any such individual or association, such information as may be likely to further the objects of this Association;
- ii. To collect subscriptions and other payments from members and to borrow or raise moneys required for the purpose of the Association upon such terms and in such manner and upon such securities as may be determined and generally to obtain moneys for the projects of the Association in any lawful manner and to invest, apply or deal with the same in such manner as may be considered most desirable for giving effect to such objects;
- iii. To accept any bequest, devise, gift or donation whatsoever (whether of money or of property of any description) and to apply the same or the proceeds of sale or realisation thereof for the purpose of the Association or to invest the same or such proceeds and apply the income arising therefrom for any of the purposes of the Association;
- iv. To acquire by gift or donation and to purchase, take on a lease or otherwise, lands and other property movable and immovable, which the Association for the purpose thereof may from time to time think proper to acquire;
- v. To sell, prove, manage, develop, exchange, lease or let, under lease, sub-let, mortgage, dispose off, turn to account, or otherwise deal with all or any part of the property of the Association with the previous consent of the General Body;
- vi. To appoint representatives of the Association for serving on any Committee, Governmental or otherwise on which the Association has been invited to be represented or to act for the Association for any other specific purpose;
- vii. To appoint such sub-committees as the Executive Committee may deem it advisable for the purpose of assisting the Executive Committee in its work and to invite any member of the Association, not being a member of the Executive Committee to serve on any such sub-

committees and to consult any authority if, for any special reasons, such a course may seem to be advisable;

- viii. The Executive Committee may create a Working Committee comprising some of the members of the Executive Committee to discharge the duties which would normally devolve on the Executive Committee but, always subject to the direction and overall control of the Executive Committee;
- ix. To invite any member of the Association, not being a member of the Executive Committee to be present at any meeting of the Executive Committee and participate in its deliberations provided however, that the member so invited shall not have the right to vote in such meeting of the Executive Committee;
- x. To appoint lawyer, solicitors and other professional persons to the Association and to consult them whenever the Executive Committee deems it expedient to do so;
- xi. To commence, institute, prosecute and defend all such actions and suits as the Executive Committee may deem it necessary or expedient on behalf of the Association to comprise or submit to arbitration the same as they may think best;
- xii. To enter into all negotiations and contracts and to receive and vary all such contracts and to do all such acts and deeds and things in the name and on behalf of the Association as may be necessary for the furtherance of the objects of the Association or the decision of the General Body;
- xiii. To open banking accounts and decide the conditions under which such accounts shall be operated;
- xiv. To engage and dismiss the Secretary and other officers and employees of the Association and to determine their respective powers and duties and to fix their wages and remuneration and terms of employment;
- xv. To manage the funds of the Association and to exercise all relative powers in accordance with the provision hereinafter contained;
- xvi. The Executive Committee if required, under special circumstances to defend any legal case arising out of members disputes with clients or any other matters with any individual company, association, etc., the member agency shall reimburse in full all costs, out of pocket expenses, travel, board, lodge, legal expenses, etc., incurred by the Association arising out of such cases;
- xvii. Any member/s authorised by the Executive Committee to deal with cases detailed in clause 37(b)(xvi) on behalf of the Association then the Association will reimburse that member/s all expenses incurred including travel, out of pocket expenses, board and lodge, etc.;
- xviii. To put a defaulting member on 'notice' whereupon the member concerned shall cease to be entitled to the privileges of the membership of the Association unless and until the Executive Committee has withdrawn the 'notice'.

38. RESOLUTIONS :

- a. If in regard to exercise of any of its powers or the performance of any of its duties or otherwise, a resolution considered by the Executive Committee received the support of only four of its members excluding the President, such resolution shall be referred to the General Body for their decision.
- b. However, if such resolution received the support of more than four of the members of the Executive Committee but fails to receive the support at least of 2/3rd of the total membership of the Committee excluding the President, the resolution may, nevertheless, be referred to the General Body by the President or in his absence, the Vice-President acting in his discretion.
- c. Subject to the preceding sub-clause (a) all matters before the Executive Committee at any meeting thereof, will be decided by a majority of votes of members of the Committee present in person or by proxy at the meeting.
- d. The President may, at any time when the Executive Committee is not in session, refer to the members thereof any resolutions in writing, for their approval. If on such reference all members of the Committee sign the resolution in approval of the same, the resolution shall be as valid and effectual as if it had been passed at a meeting of the Executive Committee duly called and constituted.

39. NOTICE FOR ORDINARY MEETING :

- a. The President or in his absence the Vice-President shall fix the date and place of the Ordinary Meeting of the Executive Committee at 10 days notice in writing to the members of the Executive Committee.
- b. The Notice period shall commence from the date next to the date of posting the notice of the meeting.
- c. All such notices of Executive Committee Meetings may be sent out by email and/or fax and/or courier, also. Granting of the proxy must be notified to the Secretariat in the form prescribed.

40. URGENT MEETING :

The President may, at his discretion, convene an Urgent Meeting of the Executive Committee at 5 days notice. Intimation of such meetings shall be sent telegraphically and/or by email and/or courier and/or fax' and decisions taken at such meetings are not valid unless they are unanimous. For this meeting the quorum will be President and four members excluding the President.

41. REQUISITIONED MEETING :

- a. If any three members of the Executive Committee request the President or in his absence the Vice-President by telegram or letter, copy of which shall be forwarded to the Secretary of the Association, to arrange for a meeting, he shall proceed within 7 days of the receipt of the telegram or letter to convene such meeting and he fails or neglects to call such meeting, provided the request states the object of the meeting, the signatories to the letter or telegram may themselves convene such meeting, giving at least 7 days notice thereof.
- b. Any six members of the Executive Committee will constitute a quorum for such requisitioned meeting of the Executive Committee. (This clause will be operative only after 30.12.1980).

42. QUORUM :

- a. Any five members of the Executive Committee and the President or in the absence of the President, any six members of the Executive Committee shall constitute a quorum for Ordinary Meeting of the Executive Committee.
- b. A meeting of the Executive Committee at which a quorum is present shall be competent to exercise all the authorities, powers and discretions, conferred on it by or under the Rules and Regulations.

43. PROXIES :

- a. A member of the Executive Committee shall be entitled to nominate as his proxy any other member of the Executive Committee only. Granting of the proxy must be notified to the Secretary in the form prescribed. It will be in order if the proxy form duly completed is handed over to the Secretary when the Executive Committee members sign the Attendance Register of the Executive Committee.
- b. A member of the Executive Committee who is represented by a proxy shall be deemed to be present for the purpose of quorum and counting of votes at the meetings.

44. MINUTES :

- a. Confirmed Minutes shall be prima facie proof of the facts mentioned therein.
- b. All acts bonafidely done by any meeting of the Executive Committee or any person acting as a member of the Executive Committee, shall notwithstanding if it be afterwards discovered that there was some defect in the appointment of any such member or persons acting as aforesaid or that any of them were disqualified, be as valid as if every such person, had been duly appointed and was qualified to be a member of the Executive Committee, unless it is so apparent that without the vote of such disqualified person or persons resolution would not have been carried as required under the Rules and Regulations.

45. REPORTS :

The Executive Committee shall submit reports on the activities and funds of the Association to the General Body as often as the latter may deem necessary. Prior to each Annual General Body Meeting, the Executive Committee shall prepare a report of the proceedings of Association during the year prior to such meeting and shall cause the same to be printed or cyclostyled and shall send at least one copy thereof to each member of the Association, not less than 14 days prior to the date fixed for the said Annual General Body Meeting. The Executive Committee may also if they deem fit to do so, send any one or more copies of the said Annual Report to any individual or corporation or association to whom or to which they may deem desirable in the interest of the Association to send the same.

PART – VII

VICE-PRESIDENT

46. VICE-PRESIDENT :

The Association shall have a Vice-President who shall be elected by the General Body from amongst the elected members of the Executive Committee. The elections shall be by ballot. He shall act as President whenever the President's office falls vacant or whenever the President for reasons such as ill health, overseas tours, etc. is unable to discharge his duties.

47. FUNCTION :

- a. In the absence of the President, the Vice-President shall preside at all meetings of the Executive Committee and the General Body. If at any meeting of the Executive Committee the Vice-President presides, he shall be entitled to exercise his vote as a member of the Committee but he shall have no casting vote. If at any meeting of the General Body, the Vice-President presides, he shall have only a casting vote and he shall not be entitled to represent the member concerned, and the member whom he represents shall be entitled to have another representative with power to vote at such meeting.
- b. Subject to the provision of the preceding sub-clause (a) in the absence of the President on any occasion at which it is his duty to perform any function in accordance with these Rules, the Vice-President shall act for the President and shall have all the powers, duties, limitations and responsibilities of the President and shall exercise and perform them until such time as the President resumes his functions.

48. TENURE :

The Vice-President shall hold office until the next annual election or his removal from office by a vote of no confidence passed by a majority of not less than 2/3rd of total membership of the Association or until his resignation from office or until he ceases to be entitled to act or vote on behalf of the member of the Association whichever is earlier.

PART – VIII

HONORARY SECRETARY

49. **HONORARY SECRETARY :**

The Association shall have an Honorary Secretary. The Honorary Secretary shall be elected by the Executive Committee from among its members, at a meeting of the Executive Committee immediately following the Association's General Body Meeting.

50. **FUNCTIONS :**

The Honorary Secretary shall co-ordinate with the Executive Committee to ensure that :

- i. The Association's programme is executed expeditiously.
- ii. Wherever possible, potential opportunities and problems are identified in advance, and
- iii. New and useful areas of service to members are explored on a continuing basis.

In discharging his functions the Honorary Secretary will be assisted by the Secretariat headed by the Association's Secretary.

51. **TENURE :**

The Honorary Secretary shall hold office until the next annual elections or his removal from office by a vote of no confidence passed by a majority of not less than 2/3rd of total membership of the Executive Committee or until his resignation from office or until he ceases to be entitled to act or vote on behalf of a member of the Association, whichever is earlier.

The Honorary Secretary may resign his office by communicating to the President through a letter his intention to resign. Such a resignation will be effective when it is endorsed by the Executive Committee by a simple majority.

Provided further that in the event of an Honorary Secretary's resignation becoming effective subsequent to his election as an Honorary Secretary, the Executive Committee shall elect another Honorary Secretary from amongst its members and the Honorary Secretary so elected shall hold office until the next annual election.

Further provided that the mere resignation of the Honorary Secretary of his office shall not in any way affect his status as a member of the Executive Committee.

52. THE HONORARY TREASURER :

The Association shall have an Honorary Treasurer. The Honorary Treasurer shall be elected by the Executive Committee from among its members, at a meeting of the Executive Committee immediately following the Association's Annual General Body Meeting.

53. FUNCTIONS :

The Honorary Treasurer shall have an overall responsibility of managing the Association's finance under the supervision and guidance from time to time by the Executive Committee and the General Body.

In performing this function the Honorary Treasurer will be assisted by the Secretariat headed by the Association's Secretary.

54. TENURE :

The Honorary Treasurer shall hold office until the next annual election or his removal from office by a vote of no confidence passed by a majority of not less than 2/3rd of total membership of the Executive Committee or until his resignation from office or until he ceases to be entitled to act or vote on behalf of a member of the Association, whichever is earlier.

The Honorary Treasurer may resign his office by communicating to the President through a letter his intention to resign. Such a resignation will be effective when it is endorsed by the Executive Committee by a simple majority.

Provided further that in the event of an Honorary Treasurer's resignation becoming effective subsequent to his election as an Honorary Treasurer, the Executive Committee shall nominate another Honorary Treasurer from amongst its members and the Honorary Treasurer so elected shall hold office until the next annual election.

Further provided that the mere resignation of the Honorary Treasurer of his office shall not in any way affect his status as a member of the Executive Committee.

PART – IX

SECRETARY

55. SECRETARY :

The Association shall have a Secretary who shall be appointed and whose remuneration and terms of employment shall be fixed by the Executive Committee.

This Secretary shall devote himself or herself entirely to the business and affairs of the Association except in cases where he or she has received special permission of the Executive Committee. He or she shall have charge of all correspondence and shall give an account of the funds of the Association and of the funds connected with or in any way controlled by the Association. He or she shall have the care of the rooms, furniture, library, pictures and all documents and other articles belonging to the Association, he or she shall give notice, as desired by the President or Vice-President, of all meetings of the Association, of the Executive Committee and any sub-committee appointed by the Association. He or she shall duly notify the members, of their elections and collect all dues from members, prepare the Annual Report of the Association and of all committees of the Association under the guidance of the President and the Executive Committee and, generally shall perform all such duties as are incidental to his or her office acting under the orders of the President and the Executive Committee on all matters appertaining to his or her office.

56. MINUTES :

Minutes of all proceedings of the General Body, Executive Committee and all sub-committees of the Association shall be entered or caused to be entered regularly by the Secretary in appropriate Minute Books by him. Any such Minutes of any proceedings, so entered in the appropriate Minute Books, if purporting to be signed by the President of the Meeting concerned or by the President or the President of the succeeding meeting of the General Body, and Executive Committee or sub-committee as the case may be shall be the prima facie proof of the facts stated therein. All Minute Books of the Association shall be open for inspection to any member of the Association at any reasonable time at the office of the Association.

FUNDS AND PROPERTIES OF THE ASSOCIATION

57. APPLICATION OF FUNDS AND PROPERTIES :

The funds and properties of the Association however derived shall be applied solely towards the promotion of the objects of the Association as set out in Section 3 of the Memorandum of Association above, and no proportion thereof shall be paid, transferred or distributed directly or indirectly either by way of share or profits or dividends or bonus or otherwise howsoever by way of profit to the members of the Association; but nothing herein shall be understood to prevent the payment in good faith of reasonable and proper remuneration or reimbursement of authorised hotel, travelling and other expenses incurred while on the business of the Association to any officers or servant of the Association or to any member of the Association.

58. MAINTENANCE OF ACCOUNTS :

The Executive Committee shall cause true accounts to be kept of all sums of money received and expended by the Association and the matters in respect of which such receipts and expenditures take place, and of the assets, credits and liabilities of the Association. The books of the accounts shall be kept at the office of the Association or at such place or places and in charge of such person or persons as the Executive Committee may from time to time direct.

59. MANAGEMENT OF FUNDS AND PROPERTIES :

- a. The Executive Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purpose thereof, in such securities and in such manner as they may be instructed by the General Body or in the absence of such instructions as they may think fit and from time to time vary, release such investments.
- b. The Executive Committee shall have the power to determine the manner in which bills, loans, receipts, expenses and documents shall be signed or executed by and on behalf of the Association.
- c. The Executive committee shall have the power to borrow or raise or secure the repayment of any sum or sums of money not exceeding Rs.10,00,000/- without the previous sanction of the General Body and they may borrow, raise or secure the repayment of any sum or sums of money exceeding Rs.10,00,000/- with the previous permission of the General Body.
- d. If at any time during the year the funds at the disposal of the Executive Committee are insufficient or likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Executive Committee shall in such cases call a General Body Meeting and lay the accounts of the Association before such meeting for the decision of the General Body.
- e. At least for 14 days prior to each Annual General Body Meeting the Executive Committee shall send to each member of the Association an Income & Expenditure Account and Balance Sheet duly audited as provided for hereinafter, containing a summary of the property and liabilities of the Association and made upto 31st March of the year immediately preceding the meeting and such accounts and balance sheet shall be laid before the members of the Annual General Body Meeting in each year.

AUDIT

60. ACCOUNTS TO BE AUDITED :

Every Balance Sheet and Income & Expenditure Account shall be audited by one or more auditors to be appointed as hereinafter mentioned.

61. ELECTION OF AUDITORS :

The Association shall elect on the date of the Annual General Body Meeting in each year an auditor or auditors to hold office until the next Annual General Body Meeting and the following provision shall have effect, that is to say :

- a. No person whose name appears on the register as being entitled to act and vote for a member of the Association and no employee of any member of the Association shall be capable of being appointed auditor of the Association.

- b. A person other than a retiring auditor shall not be capable of being appointed at an Annual General Body Meeting unless notice of an intention to nominate that person to the office of the Auditor has been given by any two members jointly to the Secretary of the Association and in such form and before such date as may be fixed for the purpose by the Executive Committee. A list of the candidate duly nominated for the appointment as auditor, together with the voting paper in respect of the election for the post shall be sent to each member of the Association at least 10 days before the date fixed for the election.

62. REMUNERATION OF AUDITOR :

The remuneration, if any, of the auditor shall be fixed by the Annual General Body or alternatively by the Executive Committee.

63. RIGHTS AND DUTIES OF AUDITORS :

- a. Every auditor of the Association shall have a right of access at all times to the books of accounts and vouchers of the Association and shall be entitled to require from the President and members of the Executive Committee and all officers and employees such information and explanation as may be necessary for the performance of the duties of the Auditors and shall be entitled to attend any Annual General Meeting at which any accounts which have been examined or reported by them are to be considered and may make any statement or explanation they desire with respect to the accounts.
- b. The auditors shall make a report to the members of the Association on account examined by them and of every Balance Sheet and Income & Expenditure Account laid before the Annual General Body Meeting of the Association during their tenure of office and the report shall state :
 - i. Whether or not they have obtained all information and explanation they have required.
 - ii. Whether or not such Balance Sheet exhibits a true and correct view of the state of the Association's affairs according to the best of their information and the explanation given to them and as shown by the Books of the Association.

64. WHEN ACCOUNTS TO BE DEEMED FINALLY SETTLED :

Every account of the Executive Committee when audited and approved by the General Body Meeting shall be conclusive except as regards any error discovered therein within 3 months after the approval thereof. However, if any such error is discovered within that period, the account shall be corrected and thenceforth shall be conclusive.

65. BYE-LAWS :

Executive Committee may frame Bye-Laws from time to time with the consent of General Body for the proper administration of the Association and a copy of such Bye-Laws shall be filed with the office of the Registrar of Societies, Bombay.

MISCELLANEOUS

66. AMENDMENTS TO THE RULES :

All these rules shall be amended, and altered or replaced at any time by passing a Resolution in that regard at a meeting of the General Body specially convened for the purpose by a majority of not less than 2/3rd of the members of the Association present and voting at a meeting in accordance with procedure laid down under Section 12 of the Societies Registration Act, 1860.

67. WINDING UP :

- a. The Association shall be wound-up on a resolution being passed in that regard at a meeting of the General Body specially convened for the purpose by a majority of not less than 75 per cent of the total membership of the Association for the time being.
- b. In the event of the Association being wound-up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the Association an amount sufficient for payment of its debts and liabilities and the costs, charges and expenses of the winding-up and for the adjustment of the rights of the members interests with the following qualifications, that is to say :
 - i. A past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding-up;
 - ii. A past member shall not be liable to contribute in respect of any debt or liability of the Association, contracted after he ceased to be a member.
- c. If upon the winding-up or dissolution of the Association there remains, after the satisfaction of all its debts and liabilities, any property whatsoever the same shall not be paid to or distributed among the members of the Association or any of them but shall be given to some other Association, to be determined by the vote of not less than 60 per cent of the total membership of the Association.

ARBITRATION

68. AAAI Rules relating to Arbitration.

Based on the recommendation the Legal & Constitution and Client-Agency Reconciliation Committees -- as there was a felt need to have a provision for arbitration by the AAAI in cases of disputes between member agencies and their clients, as well as, inter se, among members of the Association – the General Body of the AAAI unanimously adopted, on Monday 31st August 1998, the following rules pertaining to Arbitration which now form part of the Memorandum of Association and Rules & Regulations and are to be read as Clause 68 A&B.

A] Arbitration between Members and their Clients

All disputes and/or differences and/or questions which shall arise between a member agency and his client arising out of or pertaining to an agreement between such member and its client may be referred to the Association by either of the parties. The Arbitration proceedings shall be conducted in accordance with the Arbitration and Conciliation Act 1996 or such other law for the time being in force. The venue of the Arbitration shall be Mumbai or such other place as the disputing parties may agree upon.

B] Arbitration between Inter se amongst Members

All disputes and/or differences and/or questions that may arise out of or pertaining to the bye-laws of the association or pertaining to questions of importance to the trade or of any nature whatsoever between any two or more members shall be referred to the Association for Arbitration. To invoke this clause, either of the parties to the dispute may make a representation to the Association of any such disputes/differences or questions that have arisen between them.

In the said representation the member(s) concerned shall express its/their desire to have such disputes, differences or questions referred to a sole Arbitrator or more Arbitrators. The Arbitrator(s) shall be appointed by the Association within 30 days of receipt of the representation.

The appointment of Arbitrator(s) shall be made by the Executive Committee of the Association, subject to the acceptance of the Arbitrator(s) of all the parties to the dispute.

The Arbitration proceedings shall be conducted in accordance with the Arbitration and Conciliation Act 1996 or such other law for the time being in force in India. The venue of the Arbitration shall be Mumbai or such other place as the disputing parties may agree upon.

MEDIA BUYING / AGENCY OF RECORD [AOR].

The remuneration principle for an AOR is as follows:

- 1] For the services rendered in the areas of media buying and media releases, the AOR will earn 2.5% media commission/trade discount on releases made by it for brands which are handled by other advertising agencies of the advertiser. The other advertising agencies will earn 12.5% commission/trade discount.
- 2] The AOR will be responsible for raising media bills, collection of media dues from the advertiser and payment to media.
- 3] The other advertising agencies of the advertiser shall be paid the 12.5% commission/trade discount on media releases for brands handled by them, directly by the advertiser.
- 4] The AOR will provide not later than the end of the following month to the other advertising agencies, a statement which clearly indicates the other advertising agencies' commission/trade discount entitlement for the preceding month for various brands.

In case an advertising agency operates on the basis of a fee system, the basis of remuneration shall be as follows:

- 1] In the event that the agency is responsible for acting as full service agency, including media buying and releases, such fees should not amount to less than 15%.
- 2] In the event that media releases are undertaken by another agency acting as an AOR, such fees shall not be less than 15%, including that paid to AOR.
- 3] Agencies operating on a fee basis will raise supplementary debit/credit notes at the end of each financial year to ensure that their earning from media equals 15%.
- 4] Agencies operating on a fee basis with any of their clients, will inform the AAI of the same along with a declaration that they adhere to the principle of 15%

The Executive Committee of the AAI is authorized to take disciplinary action against any member for violation of these rules, including recommending expulsion to the General Body, if it deems fit.

These rules came into effect from the 1st of January 1999.

CERTIFIED TO BE TRUE AND CORRECT COPY OF THE RULES AND REGULATIONS OF THE ASSOCIATION

1. Mr Krishan Premnarayen
2. Mr Goutam Rakshit
3. Mr Dara Acidwalla
4. Mr Ranjit Batra
5. Mr Rajiv Agarwal
6. Ms Alaka Bhosle
7. Mr J G Khanna
8. Mr D A Nanda
9. Mr Alyque Padamsee
10. Mr C Passanah
11. Mr Bunty Peerbhoy
12. Mr Raman Rajan
13. Mr Ram Sehgal
14. Mr Bal Mundkur
15. Mr M K Khanna

Place : Bombay

Dated: Dec.23, 1988

APPENDIX "A"

BYE-LAW

ELECTION RULES

1. Every member shall have one vote for the purpose of any election. Such vote can be exercised at the meetings of the Association through nominated representative or proxy.
2. Every member agency shall communicate to the Secretary the name of its representative on the Association. All communications will be addressed to such representative only. If he is unable to attend any meeting he shall be entitled to nominate proxy who can attend, participate and vote on his behalf.
3. Those whose names appear on the membership register as representatives are eligible for being elected as the office bearers of the Association.
4. All elections to the Executive Committee of the Association shall be by ballot in case of contest at the Annual General Meeting.
5. Nominations and Elections to the Executive Committee shall be due by members belonging to the four Groups I, II, III, IV separately by members from respective Categories of Full Service Agencies, Creative Agencies and Media Agencies.
6. The President can be nominated and elected from any category and group of membership.
7. Zonal representatives from East, South and North may be nominated and elected from Full Service Members falling within the Zone.
8. If there is only one nomination such nominee will be declared elected unopposed.
9. Members will cast their votes by marking 'X' on the voting papers which would be provided to them from time to time.
10. The results of any election would be announced on the basis of the highest number of votes polled subject to the restriction imposed in Clause 33 regarding the composition of the Executive Committee.
11. For the purpose of every election, the Secretary shall prepare and circulate to all the members an Electoral Roll of the Association giving therein :
 - i. Names and addresses of members;
 - ii. Names of their representatives on the Association;
 - iii. Membership Category, Group and the Zone which the above agencies belong to.
12. Every member of the Association shall have right to change its representatives at any time during the year by sending a letter to that effect to the Secretary.
13. If such a change is notified after the Secretary has posted circular letter inviting nomination/s for any particular election the new representative/s shall not be eligible for contesting that particular election for which nominations have already

been invited.

14. The Executive Committee shall appoint at least two Scrutineers as early as possible and at least before the time of elections.
15. If at any time the majority of the members of the Executive Committee have resigned or have been removed from the office by a vote of no confidence, the remaining Committee members shall have the powers to appoint a Scrutineer.
16. If for one reason or the other the entire Executive Committee is dissolved prior to the appointment of a Scrutineer, the President shall have the power to appoint a Scrutineer.
17. The Secretary will invite nominations by giving at least 10 days notice in writing. The notice period shall commence from the date of posting the letters inviting nominations.

[EXPLANATION: If a circular letter inviting nominations is posted at any time on the 1st, then the notice period shall expire on the 12th evening when the office closes; if the 12th happens to be a holiday or is later on declared as a holiday then the notice period will terminate on the 13th morning at 10:00 a.m., i.e. the time at which the office opens].

18. The nomination form may be considered invalid if :
 - i. the nomination form is not complete in all respects;
 - ii. a person either proposes or seconds his nomination;
 - iii. Specific instructions given in writing in regard to completion of nomination form not adhered to

However, the Executive Committee or the Working Committee or the Scrutineers will have the power to unanimously overlook the technical deficiency/ies which does/do not affect the spirit in sending nominations. On receipt of the report on the nominations received, the Secretary, as far as possible, will inform all the candidates regarding their nomination.

19. If any of the persons nominated desires to withdraw his name he may do so by writing a letter to the Secretary. If it happens that at a particular election all the nominees withdraw, then the Secretary, acting on the directive of the Executive Committee / Working committee shall invite fresh nominations.
20. Ten days notice will be given for election which coincides with the Annual General Meeting. The notice will contain time and place for such elections.
21. Accidental omission or non-receipt of a notice or voting paper shall not vitiate the election either fully or in part.
22. All communications regarding the election shall be sent under Certificate of Posting.
23. If for a particular office only one person is nominated and if such a person is willing to accept the office, the Scrutineers shall declare such a person unanimously elected.

24. If for a particular election no nominations are received or all the persons nominated have withdrawn or if the Executive Committee unanimously deems it advisable to invite fresh nominations, the Secretary shall proceed to invite fresh nominations at seven days notice. If it so happens that when fresh nominations are invited, the number of days intervening between the date of election and the date of inviting fresh nominations are not enough to give sufficient notice period as stipulated earlier, the Executive Committee / Working Committee as the case may be, may decide to reduce the notice period of voting upto 7 days only.
25. If for one reason or the other no nomination is received for a particular seat on the Executive Committee, that particular seat shall not be filled by election. This will not vitiate the constitution of the remaining Executive Committee which may either co-opt someone or keep the seat vacant.
26. For any unforeseen situation the Executive Committee / Working Committee / the Scrutineer may take a decision and such decision shall be binding for that year.
27. For the purpose of electing the Executive Committee, the President, the Vice-President, voting papers must be deposited in the ballot box before the hour fixed for the commencement of the Annual General Body Meeting.
28. A member who is in arrears of subscription as on 1st April and/or a member who is in arrears to the Association will not be eligible to exercise his right of vote or be voted for, nor will such members be eligible to participate in the affairs of the Association.

APPENDIX "B"

BYE-LAW

QUALIFICATIONS FOR MEMBERSHIP

1. **METHOD OF APPLICATION :**

Each applicant shall be required to fill in the appropriate application form obtainable from the Association and such application should be duly proposed and seconded by any two members of the Association.

2. **SIZE OF AGENCY :**

The size or volume of business in itself of any applicant shall not be a factor in determining qualifications for membership.

3. **LOCATION OF AGENCY :**

The geographical location of the head office or the registered office shall determine the zone of the agency.

4. **AGE OF THE AGENCY :**

No agency shall be considered for election as a member of the Association unless it is operating as such for a minimum period of one year. This condition can be waived by the Executive Committee for admitting new members in the

year 2009-2010, since new Category of membership is being introduced.

5. OWNERSHIP :

The applicant agency must show that it is directly and indirectly independent of and not maintained by any one advertiser or a group of advertisers and/or is not organised for the purpose of obtaining agency commission for any one advertiser or a group of advertisers.

6. ABILITY :

Advertising ability varies with individual talent and need. It is difficult to standardise. Nevertheless sound judgement regarding the applicant agency's ability can and may be formed after studying its method of operation and the work produced for clients.

7. FINANCIAL STABILITY :

Applicant Agency will have to satisfy the Association regarding its financial stability and healthy payment policy.

8. CONTRACTS :

No applicant shall be deemed worthy of membership who has failed to fulfil its lawful contractual commitments.

9. SCOPE OF AGENCY SERVICE :

Ability to render service in reasonable conformity to the agency service standards of the Advertising Agencies Association of India shall be a consideration in determining fitness for membership.

10. ETHICAL AND BUSINESS STANDARDS :

While it is not important to know the applicant agency's form of organisation in all of its details, or all of its operations, it is essential to know how it operates in relation to certain practices declared by the Association to be unfair practices in the light of the obligation agencies have not only to their clients but to the media they deploy, to the public and to each other.

APPENDIX "C"

BYE-LAW

I [A] OBLIGATIONS TO MEMBERS :

1. Every member of the Association shall carry on his profession and business in such a manner as to uphold the dignity and interest of the Association.
2. Every member shall refrain from canvassing advertisers or prospective advertisers in such a way as to reflect detrimentally upon Advertising Agencies as a whole or this Association or any Advertising Agency in particular.

3. Canvassing is permitted subject to the condition that a member may make known to the client of another member its own capabilities as an Advertising Agency but may not submit a specific report or detailed recommendations concerning the client's advertising unless so requested by him in writing.
4. The practice of submitting a speculative campaign is unhealthy to the growth of the advertising industry and that no member shall submit a speculative campaign to any advertiser. By speculative campaign, it is meant, producing a campaign unsolicited or voluntarily by any member agency and equally producing a campaign where the advertiser had requested one or more advertising agency to do so, unaccompanied by a firm offer of business.

The Executive Committee is hereby authorized to frame the Mandatory Pitch Fees Guidelines and Rules which may include punitive action against members not following the said Rules, for implementation by members so as to ensure smooth compliance by its members, after due consultation with members, which Rules could further be revised by the Executive Committee of the day, based on experience gained on implementing the said Rules.

5. Any member relinquishing an account on the ground of slow payment, doubtful credit or incurring a bad debt, shall immediately notify the Secretary of the Association and such information shall be circulated in strictest confidence for information and protection of other members.
6. No business shall be accepted which is conditional upon the payment of commission or fee or reward to a third party not a full time employee of the member either for introducing the business or for services in connection with the account thereafter. This role, however, shall not preclude a member from employing copywriters or production men at fees commensurate with the values of their work.

I [B] OBLIGATIONS TO CLIENTS :

Members or agencies must continue to render Full Service, Creative Service or Media Service in reasonable conformity to the Association's Agency Service Standards.

Full Service Members shall retain either commission granted by media owners, suppliers of material and services, or charge the clients a service fee which shall never be less than 15% of the client's gross expenditure. Nor shall they supply material for advertising on any basis that can be considered as direct or indirect or secret rebating. Where no commission is allowed by the media owners, suppliers of materials and services, the member will charge his clients a minimum of 15% on the gross cost or 17.65% on nett. Creative Agencies and Media Agencies members would ensure that between themselves 15% of Client's gross spend is collected as Service fee or as Commission.

I [C] OBLIGATIONS TO SUPPLIERS :

1. Members shall take all steps to assure themselves as to the financial soundness of their clients.

I [D] OBLIGATIONS TO FELLOW AGENCIES :

1. Members are required to use fair methods of competitions; not to offer the services enumerated above or services in addition to them without adequate remuneration or extension of credit facilities or banking services.
2. Members shall neither prepare nor place any advertisements, in any medium which:
 - a. is knowingly a copy or a plagiarism of any other advertisement of any kind whatsoever;
 - b. makes attacks of a personal character, or makes uncalled for reflections on competitors or competitive goods;
 - c. is indecent, vulgar, suggestive, repulsive or offensive either in theme or treatment;
 - d. is objectionable medical advertising and an offer of free medical treatment; advertisement that makes remedial, relief, or curative claims, either directly or by inference, not justified by the facts of common experience.
 - e. concerns a product, known to the member to contain habit-forming or dangerous drug, or any advertisement which may cause money loss to the reader, or injury in health or morals, or loss of confidence in reputable advertising and honourable business or which is regarded by the Executive Committee of the Advertising Agencies Association as unworthy. In the event of a member proving to the satisfaction of the Executive Committee that a client has withdrawn his account on the grounds of the member's refusal to undertake unethical advertising (as described above) no other member shall accept any business whatsoever from the said client.
 - f. If any member agency's client decides to change his agency either without clearing undisputed bills or without making any definite arrangements to repay the amount due, other member agencies will not accept such account unless and until both the agencies are satisfied that the advertiser concerned has made arrangements for payment to the previous agency.

II AGENCY SERVICE STANDARDS :

Agency service shall consist of :

1. A study of the product or services in order to determine the advantages and disadvantages in the product itself, and in its relation to competition.
2. An analysis of the present and potential market for which the product or service is adopted,
 - as to location;
 - as to extent of possible sale;
 - as to season;
 - as to trade and economic conditions;
 - as to nature and amount of competition; and

as to social conditions.

3. A knowledge of the factors of distribution and sales and their methods of operation.
4. A knowledge of all the available media and means which can profitably be used to carry the interpretation of the product or service to consumer, wholesaler, dealer, contractor or other factors.
5. Formulation of a definite plan and executing them.
6. Co-operation with the client's marketing team, to ensure the greatest effect from advertising.

III CODE OF STANDARDS OF ADVERTISING PRACTICE :

[A] RULES OF ADVERTISING ETHICS VIS-A-VIS THE CUSTOMER :

i. Motivating Principles of the rule

- a. A part of system of free enterprise and of our system of distribution, satisfying customers' needs and comfort, advertising has a social responsibility towards the customer. Advertising is an important and legitimate means for the seller to awaken interest in his goods and services. In this process some practices of the seller may at times be opposed to the rightful interests of the community, wherever a conflict of interests arises, the interest of the public should, first and foremost, be protected.
- b. The success of advertising depends on public confidence. Hence no practices should be permitted which tend to impair public confidence.

The following rules of conduct have been laid down for international observance in order to counteract possible misuse of advertising and to promote a further development of the sense of responsibility on the part of advertisers towards the consumer. Responsibility for the observance of these rules rests with :

- i. the advertiser on whose account the advertisement is issued;
- ii. the advertiser or agent who has created the advertisement; and
- iii. the publisher or medium contractor who publishes or distributes the advertisement.

Individuals in each of these groups should exercise such responsibility as they may properly assume to make certain that the rules of conduct are observed.

ii. Rules of Conduct

- i. Advertising should be so designed as to conform not only to the laws but also to the moral and aesthetic sentiments of the country in which it is published.
- ii. No advertisement likely to bring advertising into contempt or dispute should be permitted. Advertisement should not take advantage of the superstition or credulity of the general public.
- iii. Advertising should tell the truth and avoid distorting facts and misleading by means of implications and omissions. For instance, it should not mislead the consumer by false statements as to :
 - a. the character of the merchandise – i.e. its utility, materials, ingredients, origin, etc.;
 - b. the price of the merchandise, or its value; its suitability or the terms of the purchase;
 - c. the services, accompanying purchase, including delivery, exchange, return, repair, upkeep, etc.;
 - d. personal recommendations of the article or service. Testimonials which are fictitious or the originals of which cannot be produced must not be used. Any one using testimonials in advertisements is as responsible for the statements made in them as he would be if he had made them himself;
 - e. the quality of the value of competing goods or the trustworthiness of statements made by others.
- iv. No advertisement should be permitted to contain any claim so exaggerated as to lead inevitably to disappointment in the mind of the consumer. Special care is called for in the case of :
 - a. Advertisements addressed to those suffering from illness.

No such advertisement should hold out the promise or cure for serious disease, nor contain any statement calculated to injure the health of the sufferer by dissuading him or her from seeking a medical advice or otherwise.
 - b. Advertisements inviting the public to invest money. Such advertisements should not contain statements which may mislead the public in respect of the security offered, rates of return or terms of amortisation.
 - c. Advertisements inviting the public to take part in lotteries or competitions with prizes, or which hold out the prospect of gifts.

[B] RULES OF ETHICS BETWEEN ADVERTISERS :

i. Motivating Principle of the rules

The principle of fair competition as generally defined and accepted in business should be applied to advertisers.

ii. Rules of Conduct

1. Methods of advertising designed to create confusion in the mind of the consumer as between goods are unfair and should be renounced. Such methods may consist in :

- a. The imitation of the trade mark or name of the competitor, or the packaging or labelling of goods; or
- b. the limitations of advertising devices, copy, layouts or slogans.

[C] RULES OF ETHICS GOVERNING ADVERTISING AGENCIES AND MEDIA :

i. Motivating Principles of the rules

The development of sound advertising depends upon the good relations existing between all sections of the advertising business, and no practices should be permitted which tend to impair such good relations.

ii. Rules of Conduct

- i. Advertising agencies and media should avoid disparagement of their competitors;
- ii. The accepted regulations governing the agency business in any country should be strictly observed by every agent doing business in that country;
- iii. Misleading or exaggerated statements to an advertiser concerning the carrying out or probable effect of a campaign should not be permitted;
- iv. The purchaser of advertising in any publication or other media is entitled to know the number, general character and distribution of the persons likely to be reached by his advertisement and to receive genuine co-operation in this respect from media.
- v. A clear and full statement of the rates and discounts applicable to various classifications of advertising should be published by every medium and adhered to.

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CERTIFIED TO BE TRUE AND CORRECT COPY OF THE RULES AND REGULATIONS OF THE ASSOCIATION

1. Mr Srinivasan K Swamy
2. Mr Madhukar Kamath
3. Mr Neville Gomes
4. Mr Nagesh Alai
5. Mr Jagdip Bakshi
6. Mr Nakul Chopra
7. Mr Sudhir Ghate
8. Mr Tapas Gupta
9. Mr Colvyn Harris
10. Mr Kurien Mathews
11. Mr Pranesh Misra
12. Mr Surajit Nag
13. Mr Vinod Nair
14. Mr V Shantakumar
15. Mr Arvind Sharma
16. Mr Sam Balsara

Place : Mumbai
Dated: February 28, 2007.

CERTIFIED TO BE TRUE AND CORRECT COPY OF THE RULES AND REGULATIONS OF THE ASSOCIATION

1. Mr Madhukar Kamath
2. Mr Colvyn Harris
3. Mr Neville Gomes
4. Mr Rajeev Ruia
5. Mr Nagesh Alai
6. Mr Sam Balsara
7. Mr Charles Cadell
8. Mr Sudhir P Ghatе
9. Mr Tapas Gupta
10. Mr Prasoon Joshi
11. Mr Kunal Lalani
12. Mr Surajit Nag
13. Mr Vinod Nair
14. Mr M G Parameswaran
15. Mr Pranav Premnarayen
16. Mr Umesh Shrikhande
17. Mr Suman Srivastava
18. Mr Srinivasan K Swamy

Place: Mumbai

Dated: June 26, 2009