The norms related to NPC are set by its Memorandum of Association and Rules reproduced below:

NATIONAL PRODUCTIVITY COUNCIL, INDIA
(ESTABLISHED 1958)

CONSTITUTION
MEMORANDUM OF ASSOCIATION & RULES
MEMORANDUM OF ASSOCIATION
OF THE
NATIONAL PRODUCTIVITY COUNCIL
(Registered under Act XXI of 1860)

1. Name of the Society is the National Productivity Council.

2. Registered office of the Society is located at “Utpadakta Bhavan” 5-6, Institutional Area, Lodi Road, New Delhi-110 003, in the National Capital Region of Delhi.

3. Objects for which the National Productivity Council is established are:-

(a) to increase productivity in all spheres of industries including light, small scale, medium and large scale industries; and to pave the
way for launching productivity drive in all spheres of economic activity of the country;

(b) to stimulate and promote productivity consciousness by disseminating information regarding productivity techniques and processes through various media including publications, exhibitions and other audio visual aids; by organizing a technical digest service and a technical enquiry service; and by establishing a productivity documentation service and a library;

(c) to stimulate and facilitate the establishment of regional/local and industry-wise productivity organizations and to give grants-in-aid, where necessary, to such organizations and others dealing with various aspects of productivity.

(d) to undertake implementation of programmes relating to the objectives of increase of productivity, including items such as technical exchange within the country by inter-plant visits; technical exchange with other countries by sending teams abroad, inviting foreign consultants and sponsoring training abroad; organizing productivity operatives and technicians; and organizing productivity research;

(e) to impose and recover affiliation and other fees and charges for services rendered; and to borrow funds or accept any grants, gifts, donations and subscriptions whether in cash or securities of any property either movable or immovable in furtherance of the objectives of the Council;

(f) to purchase, take on lease, or otherwise acquire any land or building, wherever situated in India, which may be necessary for the Council;
(g) to sell, lease, exchange and otherwise transfer all or any properties to the Council;

(h) to undertake and accept the management of any endowment or trust fund having objects similar to the objects of the Council;

(i) to invest funds or moneys entrusted to the Council in such securities and in such manner as may from time to time be determined by it;

(j) for the purpose of the Council to draw, accept, make endorse, discount and deposit Government of India and other promissory notes, bills of exchange, cheques or other negotiable instruments;

(k) to establish a Provident Fund for the benefit of staff of the Council or any portion thereof;

(l) to do all such lawful things as are conducive or incidental to the attainment of the above objects, and

(m) to undertake Scientific Research activities related to productivity.

4. Governing Body of the Society shall be the body constituted to be the Governing Body under the rules of the said Society. Until a Governing Body is constituted under the Rules, the following persons are hereby appointed and shall constitute the Governing Body and manage the affairs of the National Productivity Council.
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name</th>
<th>Address</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dr. P.S. Lokanathan (Chairman)</td>
<td>National Council of Applied Economic Research, Bombay Mutual Building, Parliament Street, New Delhi</td>
<td>Director General National Council of Applied Economic Research</td>
</tr>
<tr>
<td>2.</td>
<td>Shri M.R. Masani, M.P.</td>
<td>C/o Bombay Management Association Army &amp; Navy Bldg., M.G. Road, Bombay.</td>
<td>Member of Parliament (Lok Sabha)</td>
</tr>
<tr>
<td>3.</td>
<td>Shri Charat Ram</td>
<td>18, Curzon Road, New Delhi.</td>
<td>Business Executive</td>
</tr>
<tr>
<td>4.</td>
<td>Shri Michael John, M.P.</td>
<td>17, K. Road, Jamshedpur.</td>
<td>Member of Parliament (Rajya Sabha)</td>
</tr>
<tr>
<td>7.</td>
<td>Shri K.L. Ghei</td>
<td>Joint Secretary, Ministry of Finance, New Delhi</td>
<td>Government Service</td>
</tr>
</tbody>
</table>

5. We the several persons whose names and addresses are subscribed hereto are desirous of forming a Society in pursuance of this Memorandum of Association.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name</th>
<th>Signature</th>
<th>Occupation</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Dr.P.S. Lokanathan</td>
<td>Sd/-</td>
<td>Director General National Council of</td>
<td>Bombay Mutual Building,</td>
</tr>
<tr>
<td></td>
<td>Name</td>
<td>Position</td>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>--------------------</td>
<td>----------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Shri Charat Ram</td>
<td>Sd/- Business Executive</td>
<td>18, Curzon Road, New Delhi.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Shri Kashinath Pandey</td>
<td>Sd/- Member of Parliament (Lok Sabha)</td>
<td>Shahanshah Manzil, Barood Khana, Golaganj, Lucknow.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Shri K.L. Ghei</td>
<td>Sd/- Joint Secretary, Ministry of Finance, Govt. of India, New Delhi.</td>
<td>Minister of Finance, Govt. of India, New Delhi.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Shri B.N. Datar</td>
<td>Sd/- Dy. Secretary Ministry of Labour &amp; Employment, Govt. of India</td>
<td>Ministry of Labour &amp; Employment, Govt. of India, New Delhi.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Shri H.D. Shourie</td>
<td>Sd/- Officer on Special Duty, Ministry of Commerce &amp; Industry, Govt. of India, New Delhi.</td>
<td>Ministry of Commerce &amp; Industry, Govt. of India, New Delhi.</td>
<td></td>
</tr>
</tbody>
</table>

Signature of the above signatories is hereby attested.

Sd/-
P.C. Alexander,
Deputy Secretary,
Ministry of Commerce & Industry

Dated the 12 February, 1958
Rules of the National Productivity Council
(Registered under Act XXI of 1860)

DEFINITIONS

1. In these Rules

(a) “Council” means the National Productivity Council.

(b) “Governing Body” means the body which according to Rule No. 7 following hereinafter, shall exercise full powers on behalf of the Council.

(c) “Director General” means Director General of the National Productivity Council.

“Secretary” means Secretary of the National Productivity Council.

AUTHORITIES OF THE COUNCIL

2. Following shall be the authorities of the Council;

(a) Council

(b) Governing Body

(c) Such other authorities as may be prescribed by the Council or the Governing Body.

COMPOSITION OF THE COUNCIL

3. Council shall consist of the following members:

a. President, Chairman of the Governing Body and Director General, all nominated by the Government of India;
b. Representatives of the Government of India who shall not number more than 12;
c. 12 representatives of the organizations of employers, 12 representatives of the organizations of workers and 9 representatives of technical of the organizations of workers and 9 representatives of technical organizations and institutions, which are nominated in this behalf by the Council.
d. 21 representatives of local or regional or industry-wise productivity organizations which are recognized by the Council of this purpose.
e. persons co-opted by the members mentioned above from amongst scholars, research workers, consultants, consumers, small industries, technician and other interests.

TERM OF OFFICE

4.  (i) The President, Chairman of the Governing Body and Director General shall hold office for such period as is respectively fixed for them by the Government of India.

(ii) Subject to (iii) and (iv) below, the term of office of the members nominated or co-opted on the Council under clauses (b) to (e) shall be two years and they shall be eligible to be again nominated or co-opted. If for unavoidable reasons, there is a delay in constitution of the Council, the existing Council will continue to function till successor members of the Council are nominated/co-opted.

(iii) Where a person is a member of the Council by virtue of an office held by him, his membership shall terminate when he
ceases to hold that office and the vacancy so caused shall be filled by his successor to the office.

(iv) Where an organisation or institution is entitled to nominate any representative on the Council, such organisation or institution shall have power to change the representative from time to time; and any other member may resign from the Council by letter addressed to the Secretary.

ASSOCIATES

5. All industrial units, organisation, institutions, individuals and other interests which become members of any local/regional or industry wise productivity council recognized by the National Productivity Council, will automatically become Associates of the National Productivity Council and will have such rights as are conferred on them by the Council.

FEES

6. The Council may, from time to time, prescribe the subscriptions and fees payable by organizations and institutions represented on it.
7. (1) Governing Body shall consists of the following:

(a) Chairman, nominated by the Government of India;
(b) Director General;
(c) Such number of members, not less than 7 and not exceeding 23, as may be prescribed from time to time by the Council, who are elected by the Council for a period of 2 years, coinciding with the tenure of the Council, provided that the number of members representing employers and workers is equal and also provided that number of representatives of Local Productivity Councils is not more than 6 in the total number of seats. If for unavoidable reasons, there is delay in reconstitution of the Council, the extant Governing Body will continue to function till successor Governing Body is elected by the reconstituted Council.

(2) Governing Body shall from its members elect annually three Vice-Chairmen, one representing employers, second representing workers and the third representing LPCs.

POWERS OF THE COUNCIL AND GOVERNING BODY

8. (1) The Council shall be the supreme authority empowered to take all measures necessary for the attainment of the objects specified in the Memorandum of Association.

(2) Governing Body shall exercise full powers on behalf of the Council excepting where otherwise specified.
9. The annual General Meeting of the Council shall be held on such date, and at such time and place as may be determined by the President. At such Annual General Meeting the Governing Body shall submit the Annual Report and the yearly accounts of the Council for consideration. The same shall thereafter be adopted and passed by the Council with such variations, as the Council shall deem proper.

10. The Council shall meet at least once a year. The Meeting shall be convened by the President and Called by notice issued under the hand of the Secretary.

11. The Governing Body of the Council shall meet not less than two times and no more than three times in one particular year. These meetings shall be convened by the Chairman any notice issued under the hand of the Secretary.

12. An Extraordinary General Meeting of the Council may be convened by the President of his own accord or on the requisition of 15 members specifying the subject matter to be considered. On receipt of such requisition the President shall cause a meeting to be convened within two months of the receipt of the requisition at such place and time as he may fix to consider only the subject so specified.

13. Every notice calling a meeting of the Council or Governing Body shall state the date, time and place at which such meeting will be held and shall be served upon every member of the Council or the Governing Body not less than seven clear days before the day appointed for the meeting.

14. The President of the Council and Chairman of the Governing Body, repetitively, shall preside at all meetings of the Council and the Governing Body. In the absence of the President, Chairman of the Governing Body shall preside over the meetings of the Council. In the absence of Chairman, any of the three Vice-Chairmen shall preside over the meetings of the Governing Body.
15. One-fifth of the members of the Council and one-fourth the members of the Governing Body shall constitute the quorum; provided that, if a meeting is adjourned for want of quorum, the subsequent meeting called on the basis of the same agenda will not require to have the prescribed quorum.

16. President of the Council and Chairman of the Governing Body shall have power to invite any other person(s) to attend meetings of the Council and the Governing Body, respectively, but such other person(s) shall not be entitled to vote at the meetings.

17. All disputed questions at meetings of the Council and the Governing Body shall be determined by vote, each member having one vote. In the case of an equality of votes, the persons presiding shall have a casting vote.

18. Any business which is may be necessary for the Council or the Governing Body to perform, except such as has to be placed before the Annual General Meeting of the Council or relates to framing, amendment and repeal of bye-laws and the amendment of Rules, may be carried out by circulation among all the members respectively of the Council or the Governing Body and approval by a majority of members signing shall be as effective and binding as if such Resolution had been passed at the meeting of the Council or the Governing Body, provided that at least the number of members constituting the quorum respectively, of the Council or the Governing Body record their views on the Resolution.

19. (1) Following shall be the officers of the Council:-

(a) Director General;
(b) Secretary;
Such other officers who may be declared by the Governing Body to be officers of the Council.

(2) Director General shall be the principal Executive Officer of the Council. He shall be appointed by the Government of India and the term of his office and other conditions of service shall be as the Government of India
may determine. He will be assisted by the Secretary and such other officers as may be appointed from time to time by the authority competent to make such appointments.

(3) Subject to the Rules and Bye-laws of the Council, and such other directions as may be given by the authorities of the Council, the Director General shall be responsible for the proper administration of the affairs of the Council.

20. The Director General shall prescribe duties of all officers and staff of the Council and shall exercise supervision and disciplinary control as may be necessary subject to the Orders, Rules and Bye-laws of the Council.

21. The Secretary shall be the ex-officio Secretary of the Council, Governing Body and such other authorities as may be determined by the Governing Body. He shall maintain a record of the minutes of the Council, Governing Body and such other authorities, and shall perform the duties otherwise directed to be performed by the Secretary and all such other duties as may from time to time be entrusted by the Director General.

BYE-LAWS OF THE COUNCIL

22. The Council shall have power to frame, amend or repeal any BYE-LAWS for the furtherance of its objects and in particular to provide for the following:

(i) Matters relating to appointment, removal and registration of the office holders of the Council and the Governing Body, other than the President, Chairman of the Governing Body and Director General;

(ii) The preparation and submission of budget estimates, the sanction of expenditure, making and sale of alterations of such investment and accounts and audit;
(iii) Conduct of business committees and sub-committees as may be constituted from time to time determining the powers functions of such committees and sub-committees of their constitution and terms of office of the member;

(iv) The procedure for and terms and tenure of appointment, emoluments, allowances, rules of discipline and other conditions of service of the officers and staff of the Council; and

(v) Such other matters as may be necessary for the Administration of the affairs of the Council.

APPOINTMENT OF COMMITTEES

23. The Council or the Governing Body may by Resolution appoint any committees, advisory boards or sub-committees and appoint any persons thereto and delegate to them such powers as it may consider necessary and lay down the rules for the functioning of the committees, advisory boards and sub-committees.

DELEGATION OF POWERS

24. The Council or the Governing Body may by Resolution delegate to the President, Chairman of the Governing Body, Director General, Secretary and any other officer of the Council, such of its powers for the conduct of affairs of the Council as may be considered necessary.

ENDOWMENTS AND GIFTS

25. The Council and Governing Body shall have powers to enter into arrangements with Government of India, State Governments and other public or private organizations or individuals for securing and accepting endowment, grants-in-aid, donations or gifts to the Council on mutually agreed terms and conditions provided that the conditions of such grant-in-aid or donation or gift, if
any, shall not be inconsistent or in conflict with the nature or objects of the Council.

26. The Council and Governing Body shall have the powers to take over and acquire by purchase, gift or otherwise from Government and other public or private individual or organizations willing to transfer the same, libraries, laboratories, demonstration equipment, immovable properties, endowments or funds, together with any attendant obligations and engagements not inconsistent with the objects of the Council.

FUNDS OF THE COUNCIL AND ACCOUNTS

27. The funds of the Council shall consist of the following:

(i) Grants made by or through the Government of India or any State Government;
(ii) Donations and contributions from other sources;
(iii) Income and receipts of the Council from other sources;
(iv) Any surplus funds shall be deposited with any of the nationalized banks or invested in Government Securities.

28. The Bankers of the Council shall be any of the Nationalised Banks to be selected by the Chairman. The Chairman shall have powers to authorize any officer or officers to fully operate upon the bank account.

29. Before the beginning of a financial year, which shall be counted from the 1st April and ending on the 31st March of the next following year, the Governing Body of the Council shall prepare a budget for the year, which shall be presented to the Government of India for approval. The budget as approved by the Government of India shall be submitted to the Council for adoption.

30. The Council shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the balance-sheet in such
from as may be prescribed by the Governing Body on the basis of the approval of the Government.

31. The Accounts of the Council shall be audited annually by qualified auditors appointed for the purpose by the Council or the Governing Body and any expenditure incurred in connection with the audit of accounts of the Council shall be payable by the Council. The auditors shall have the right to demand production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Council. The nature of audit to be applied and the detailed arrangements to be made in regard to the form of accounts and their maintenance and the presentation of the accounts shall be prescribed by byelaws.

32. An Annual Report of the proceedings of the Council and of the work undertaken during the financial year shall be submitted by it for the information of the Government of India.

CONTRACTS

33. All contractors shall be executed on behalf of the Council by an officer of the Council authorized by the Governing Body.

GENERAL

34. No act or proceedings of the Council or the Council or the Governing Body shall be deemed to be invalid by reason merely of any deficiency in, or any defect in, the construction of the Council or Governing Body as the case may be.

35. The Council may sue or be sued in the name of the Secretary.

36. The income and property of the Council, however derived, shall be applied towards the promotion of the objects thereof subject nevertheless in respect of the expenditure or grants made by the Central Government to such limitation as that Government may from time to time impose. No portion of the income and
property of the Council shall be paid or transferred, directly or indirectly, by way of dividends, bonus or otherwise however by way of profits to any persons or organizations who at any time are or have been members of the Council or to any of them or to any persons claiming through them or any of them provided that nothing herein contained shall prevent the payment in good faith of remuneration of any member thereof, or other persons in return for any service rendered to the Council.

37. If on the winding up or dissolution of the Council, there shall remain after the satisfaction of its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Council or any of them, but shall consistently with the objects of the Council be dealt with in such manner as the Central Government may determine.

SERVICE OF NOTICES

38. (1) A notice may be served upon any member of the Council either personally or through the post in a communication addressed to such member at the address mentioned in roll of members.

(2) Any notice so sent by post shall be deemed to have been delivered within such time as is ordinarily taken by the post office proving and in such delivery it shall be sufficient to prove that cover containing such notice was properly addressed and put into the Post Office.

ALTERATION OF THE RULES AND ALTERATION OR EXTENSION OF THE COUNCIL

39. (1) The purpose for which the Council has been established may be altered or extended by a Resolution passed by not less than three-fifth of the total number of members present and voting in a meeting of the Council which shall have been convened for the purpose, but only after the
previous sanction of the Government of India has been obtained for consideration of the proposal by the Council;

(2) The Rules of the Council may be altered at any time with the sanction of the Government of India by a Resolution passed by not less than three-fifth of the total number of members present and voting in a meeting of the Council which shall have been convened for the purpose.

APPROVAL FROM MINISTRY OF INDUSTRY

40. (1) When the Council/Governing Body creates the post of Dy. Director General in the pay scale of Rs. 5900-6700 and above, the approval of the Government of India will be obtained before implementation.

(2) In the event of disagreement between the representative of Ministry of Finance/Internal Finance Wing and the Chairman of the Governing Body of NPC on a financial matter beyond the delegated powers, the same will be referred to the Minister of Industry and the Finance Minister for decision.

(3) Proposals relating to emoluments structure i.e. adoption of pay scales, allowances and revision thereof, and creation of posts whose maximum of basic pay in the revised pay scales exceeds Rs. 4,500/- p.m. shall be got approved from the Ministry of Industry, Government of India, before any decisions of the Governing Body relating to these matters are implemented.