

Form I.R.

CERTIFICATE OF INCORPORATION

No. 6404 of 1973

I hereby certify that **TAMIL NADU HANDICRAFTS DEVELOPMENT CORPORATION LIMITED** is the day incorporated under the Companies Act 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at MADRAS this Twenty Sixth day of
- Fourth

July
Saravana

One thousand nine hundred and seventy three
One thousand eight hundred and ninety five (Saka)

Seal of the office of the
Registrar of Companies
Tamil Nadu

(Sd.) A.G. SIRSI
Registrar of Companies.
Tamil Nadu

Memorandum of Association
of
The Tamilnadu Handicrafts Development Corporation Limited

MEMORANDUM OF ASSOCIATION
OF
The Tamilnadu Handicrafts Development Corporation Ltd.,
CHENNAI

I. The name of the Company is "Tamilnadu Handicrafts Development Corporation Limited."

II. The Registered Office of the Corporation will be situated in the State of Tamil Nadu.

III. (A) The main objects for which the Company hereinafter referred to as Company / Corporation is incorporated will be:-

1. To acquire and take over as a going concern from the Government of Tamil nadu the Good - Will and business in Handicrafts emporia and or other handicrafts units inclusive of Co - operative emporia run by the Government of Tamil nadu and all or any of the assets of such business or such dates and on such terms and conditions as specified under agreements, deeds, instruments, and assurance as are necessary or proper.

2. To develop and promote Handicrafts in all its aspects.

3. To provide financial, technical, marketing, development or any other assistance and guidance to any establishment undertaking or enterprise of any description whatsoever which is likely to facilitate or accelerate the development of Handicrafts.

4. To promote, establish and operate sales offices such as emporia, show rooms, publicity offices, exhibitions, stalls and centers with the objects of improving the, marketability of Handicrafts anywhere within and outside India.

(B) The object incidental or ancillary to the attainment of the above main objects are :-

1. To undertake the development and marketing of handicrafts products within and outside the State and the supply of raw materials, controlled commodities, tools, equipments etc., required for development of handicrafts, industries, whether owned or run by Government, Statutory body, company, Firm, Industrial Co - operative or individual;

2. To undertake export of handicrafts products directly or in collaboration with exporting business Corporations, Companies or agencies, Government or Private to establish trade connections, Sales Depots, selling agencies, offices for distributing agents, etc, to undertake directly or in collaboration with specialised domestic or foreign agencies market surveys to explore possibilities of Indian handicrafts in foreign markets, to open publicity cum information centers, showrooms, sales depots and warehouses at suitable places in foreign countries, exchange, delegation or foreign buyers and domestic exporters to participate in foreign fairs and exhibitions and to undertake special promotional measures in countries whose import potential for handicrafts have not been adequately tapped;

3. To enter into contracts with and take up orders from Government of India and the State Government in all their departments and Corporations and other subsidiaries and branches, statutory and local bodies, railways, steamer companies, municipalities and local boards and from any agency or office thereof, having the necessary power for manufacture and supply of goods, materials, articles and equipments of every description and to arrange for the performance of such contracts and orders by subcontracting them to or placing orders in respect thereof with manufacturers for the manufacture supply of such goods, materials, articles or equipments or parts thereof, servicing or processing in connection therewith or such materials, services as may be necessary for the due performance of such contracts and orders and to have the goods, materials, articles and equipment manufactured, fabricated, assembled and supplied;

4. To implement any scheme which the Government of India or the Government of Tamil Nadu may formulate for the development of Handicrafts Industry;

5. To aid, advise assist, finance and protect the interests of Handicrafts Industries in Tamil Nadu and elsewhere and to provide them with capital credit, means, resources, and technical and managerial assistance for the prosecution of their work and business to enable them to develop and improve their methods of manufacture, management, marketing and technique of production;

6. To introduce schemes of standardisation and quality control according to specification fixed by the Indian Standards Institution, the All India Handicrafts Board and the Government of Tamil Nadu & other State Governments wherever possible and to make available technical and other assistance to handicrafts units and to establish a system of inspection;

7. To undertake market survey, market research within the State and important markets in other States in India and abroad to collect and compile statistics, to give publicity of the information, and to contact foreign buyers for the export of handicrafts products;

8. To prepare and publish price lists, catalogues, folders, pamphlets, brochures and such other publicity materials for promotion of sales;

9. To aid or assist handicrafts industries units whether Co - operative or private enterprises by supplying credit, giving financial assistance against finished products either by outright purchases at an agreed price or on warehouse principle with nominal interest charges as may be fixed by Directors;

10. To guarantee loans to Co - operatives, manufactures dealers or exporters of handicrafts industries products, to enable them to step up production and execution against specific orders contracted or sub - contracted through the Corporation directly and for other promotional measures;

11. To effect coordination between large industries and small scale and handicrafts industries by suitable methods similar to those aforesaid enabling the manufacturers to produce such parts, goods, accessories, ancillaries and components as may be required by other industries;

12. To effect coordination between this Corporation and National Small Industries Corporation, the Handicrafts and Handloom Export Corporation of India Limited and the Show room of All India Handloom Board and the All India Handicrafts Board or any other State or local authority to help promotion of sales and exports of the products of the aforesaid industries and the expansion of the business of the Company;

13. To take up supply of machinery, tools and equipment on hire purchase system to the handicrafts industries;

14. To procure, manufacture buy, sell, import, export, install, work and generally deal in any plant, machinery tools, materials, goods of things of any disposition which in the opinion of the Corporation may be conveniently dealt with by the corporation in connection with any of its objects;

15. To carry on such other allied trade or business (whether manufacturing or otherwise) which may appear to the Corporation capable of being conveniently and/or advantageously carried on in connection with the expansion of business of the Corporation;

16. To apply for and take out, purchase or otherwise require any trade mark, patents, patentrights, inventions, copy rights or designs which may be useful for the Corporation's objects;

17. To receive, loans, grants, advances or other moneys on deposits from the Central Government or State Government, Banks, Companies Co- operative Societies

Trusts or individual with or without allowance of interest thereon but the Corporation will not carry on banking business within the meaning of the Banking Companies Act, 1949,

18. To lend advance money either upon or without security and to borrow or raise or secure the payment of money in such manner as the Board of Directors of the Company may deem fit and in particular by the issue of debentures, debenture stocks, bonds, obligations and securities of all kinds and to frame, constitute and secure the same as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise on the undertaking of the Company or upon any specific property and rights present and future of the company or otherwise however and collaterally or further to secure any securities of the company by a trust deed or other assurance ;

19. To establish agencies in India and elsewhere and to regulate and discontinue the same ;

20. To apply for, tender, purchase or otherwise acquire contracts and concessions for in relation to the construction execution carrying out equipment improvements, management, administration or control of works;

21. To invest the capital of the Corporation in or to deal with shares, Stocks, bonds, debenture obligations and other securities of any company or Association formed for establishing, executing or working any production unit approved by the Corporation;

22. To collaborate with any company or association or concern formed for carrying on any manufacture or business within the objects of the Corporation or to direct the management, control and supervision of any company, association, or concern by nominating Directors, Controllers, Supervisors and Advisers;

23. To enter into any partnership or arrangements for joint working in business, sharing of profits, pooling of any production units, joint ventures or reciprocal concession with any other Company, carrying on or engaged in any manufacture or business with in the objects of this Corporation or similar thereto;

24. To sell dispose off, let on lease or on hire or transfer the business, property and undertaking of the Corporation or part thereof for cash, stock or shares of any other company or for any other consideration which the Corporation deem fit to accept;

25. To obtain any other enabling the Corporation to carry out its objects into effect or for effecting any modification of the Corporation's constitution or for any other purpose by lawful means and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Corporation's interest;

26. To pay all costs, charges and expenses incurred in or about the promotion and establishment of the Corporation or which the Corporation may consider to be in the nature of preliminary expenses including therein the cost of advertising, commission for underwritings brokerage printing and expenses attendant upon the formation of branches and agencies;

27. To construct, maintain and alter any buildings or works necessary to convenient for the purpose of the Corporation;

28. To make, draw, accept, endorse, discount, execute, issue, and negotiate cheques, bills of exchange, promissory notes, debentures and negotiable or transferable instruments;

29. To provide for the welfare of persons in the employment of the company and to wives, widows and families of such persons, by establishing provident or other funds by grants of money, pensions or other payments and by providing or subscribing towards places of instructions and recreation and hospitals, dispensaries, medical and other assistance as the company shall think fit and to subscribe money to or for and otherwise help and charitable or benevolent object or any exhibition or any public show or useful object;

30. To invest and deal with the moneys of the company not immediately required in such manner other than the shares of this company as may from time to time be determined by the Board of Directors of the Company;

31. To distribute in specific or otherwise as may be resolved and assets of the company among its members and particularly the shares debentures or other securities of any other company formed to take over those or any part of assets or liabilities of this company as may be permissible under law;

32. To register trade names, marks and also to permit their uses to such persons, firms, companies or Corporations which adheres to such terms and conditions as laid down by the company by making such rules and regulations as are necessary from time to time in that regard;

33. Generally to do all such matters and things as may appear to be incidental to the interest of and attainment of the objectives of the Corporation;

34. To organise, takeup or introduce schemes for imparting training in Handicrafts, to sponsor candidates for such training wherever available;

35. To establish, maintain subscribe to or subsidise or become member of training institutions Research laboratories, Research Institutions and experimental workshop for scientific and technical research and experiment;

36. To organise production through cooperatives, artisans or its own production centres.

III. (c) other objects

1. To acquire, own, construct lease or manage Industrial Estates for Handicrafts, or as agents of Government of any other body as Corporation.

2. To transact every kind of agency business in any article or commodity as whole salers or retailers.

IV. The liability of the members is limited.

IV. The share capital of the Company is Rs. 4,00,00,000 divided into 4,00,000 equity shares of Rs. 100/- each with power to issue any of the share, in the capital, original or increased with or subject to any preferential, special or qualified rights or conditions, as regards dividends repayment of capital, voting or otherwise.

1,00,000, to 1,50,000 shares	-	Amended as per 4 th Annual General Meeting held on 28-3-1980.
1,50,000 to 1, 75,000 shares	-	Amended as per 6 th Annual General Meeting held on 28-7-1982.
1,75,000 to 3,00,000 shares	-	Amended as per 16 th Annual General Meeting held on 20-11-1991.
3,00,000 to 4,00,000 shares	-	Amended as per 26 th Annual General Meeting held on 22-9-1999.

**Articles of Association
of
The Tamilnadu Handicrafts Development Corporation Limited**

ARTICLES OF ASSOCIATION
OF
The Tamilnadu Handicrafts Development Corporation Ltd.,

Definitions : In these articles unless the context otherwise requires:-

- I. “ The Company ” or “Corporation” means the Tamilnadu Handicrafts Development Corporation Limited.
- II. “ The Act ” means the Company Act,1956 (Central Act I of 1956) or any modification thereof.
- III. “ The Office ” means the Registered Office for the time being of the Company.
- IV. “ The Governor ” means the Governor of Tamil nadu.
- V. “ The Register ” means the register of members to be kept pursuant to Section 150 of the act.
- VI. “ Divident ” includes bonus.
- VII. “ Capital ” means the capital for the time being raised or authorised to be raised for the purpose of the Company.
- VIII. “ Shares ” means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.
- IX. “ Board ” means Board of Directors.
- X. “ The Directors ” means the Directors for the time being of the Company.
- XI. “ Persons ” includes any Company or Association or Body of individuals whether incorporated or not.
- XII. “ Month ” means a calendar month.
- XIII. “ In writing and “ Written ” include printing, lithography and other modes representing or reproducing words in a visible form.
- XIV. “ Executor ” or “ Administrator ” means a person who has obtained probate or letters of administration as the case may be from a competent court.
- XV. “Regulation of the Company ” means the regulations for the time being in force for the management of the Company.

XVI. " Seal " means the common seal for the time being of the Company.

XVII. " The Chairman " means the Chairman of the Board of Directors for the time being of the Company.

Unless the context therein requires the words or expressions contained in these articles shall bear the same meaning as defined in the Act.

Company to be a Public Company

2. The Company is a Public Limited one.

Table A to apply

3. The regulations contained in Table 'A' in the first schedule to the Act shall apply to the Company except in so far as they have been specifically excluded by/or under these Articles.

Company to be governed by these regulations

4. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed or permitted by the Act, be such as are contained in these Articles.

Capital

5. The Share Capital of the Company is Rs. 4,00,00,000/- (Amended as per the 26th Annual General Meeting held on 22-9-1999.) divided into 4,00,000/- (Four lakhs) equity shares of Rs. 100/- each.

Company's shares not to be purchased

6. No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's shares.

Allotment of Shares

7. (a) Subject to the provisions of the Act and these Articles and to the rights of the Governor the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as they think fit.

(b) Subject to the provisions, if any in that behalf of the Memorandum of Association of the Company and without prejudice to any special rights provisionally conferred on the holders of existing shares in the Company, any share in the Company, may be issued with such preferred, or other special rights, as such restrictions, whether in regard

to dividend, voting rights to share capital or otherwise, as the Company may from time to time by special resolution determine and any preference share may with the sanction of special resolution be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

Commission

8. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debentures stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures, or debenture stock of the Company so that if the commission in respect of shares shall be paid or payable out of capital or out of profits, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed 5 per cent of the price at which shares are issued and 2 ½ percent of the price at which debentures or debenture stock are issued in each case subscribed or to be subscribed. The commission may be paid or subscribed in cash or in shares, debentures or debenture stock of the Company.

Share Certificate

9. Every person whose name is entered as a member in the register shall without payment of any fee or charge, be entitled to a certificate under the seal of the Company specifying the share or shares held by him and the amount paid thereon.

Provided that, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a share certificate to one of several joint holders shall be sufficient delivery of all.

Particulars on Share Certificate

10. Every Certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be signed by atleast two Directors Subject to Companies (issue of share certificate) “ Rules 1960 ”.

Issue of new Share Certificate in place of one defaced torn or decrepit, wornout or lost destroyed.

11. (a) If any share certificate is defaced, torn out, decrepit, wornout or there is no further space on the back thereof for endorsement of transfer, then upon the surrender thereof to the Company, it may order the same to be cancelled and issue a new certificate in lieu thereof.

(b) If any share certificate is lost or destroyed it may be renewed on obtaining prior Consent of the Board and on payment of fee of 50 paise and on such reasonable terms, if any, as to evidence and indemnity and the payment of out - of pocket expenses incurred by the Company in investigating evident, as the Directors think fit.

Calls on shares

12. The Directors may from time to time, to make calls upon the members in respect of any moneys unpaid on the share S.R. and specify the time of payment and each member shall pay to the Company at the time or times so specified the amount called on the shares.

Provided however, that the Directors may, from time to time at their discretion extend the time fixed for the payment or any call.

When Interest on call payable

13. If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being, or the allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 6 percent per annum as the Director shall fix from the day appointed for the payment thereof to the time of actual payment but Directors may waive payment of such interest, either wholly or in partly.

Forfeiture of Shares

14. (1) If a member fails to pay any call, or instaiment of a call, on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call of instalment as is unpaid together with any interest which may have accrued.

(2) The notice aforesaid shall :-

(a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

(3) If the requiements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect.

(4) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(5) At any time before a sale or disposal of the forfeited shares as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Effects of Forfeiture

15. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding the forfeiture, remain liable to pay to the Company all moneys which on the date of forfeiture, were presently payable by him to the Company in respect of shares.

(2) The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

Declaration of Forfeiture

16 (1) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(2) The Company may receive the consideration if any, given for the share or any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(3) The transferee shall thereupon be registered as the holder of the share.

(4) The transferee shall not be bound to see to the application of the purchase money if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.

Provision regarding forfeiture to apply in the case of non - payment of sums payable at a fixed time.

17. The provisions of these articles as to forfeiture shall apply in the case of non - payment of any sum which by terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

Payment in anticipation of calls may carry interest

18. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of calls then made upon the share in respect of which such advance has been made the Company may pay interest at such rate not exceeding 6 per cent per annum as the members paying such sum in advance and the Directors agree upon. The Directors may, at any time, repay the amount so advanced on giving to such member three months notice in writing.

Joint holders liability to pay

19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Company's lien on Share

20. The Company shall have the first and paramount lien on every share (not being a fully paid shares) for all moneys (whether presently payable or not) called or payable at fixed time in respect of that share and the Company shall also have lien on shares (other than full paid shares) standing registered in the name of a single person, for all moneys presently payable by him or from his estate to the Company, but the Directors may at any time, declare any share to be wholly or in part exempt from the provisions of this articles. The Company's lien, if any on the share shall extend to all dividends payable thereon.

Enforcement of lien by call

21. The Company shall in such manner as the Directors think fit, any shares on which the Company has a lien but no sales shall be made unless a sum in respect or which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the persons entitled there to by reason of his death or insolvency.

Application of proceeds of sales

22. The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect which the lien exists as is presently payable and the residue if any shall (Subject to a like lien for sums not presently payable as existed upon the share prior to the sale, be paid to the persons entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and

he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Registration of shares

23. Subjects to Section 111 of the Act, the Directors may in their absolute discretion refuse to register any proposal of the transfer of shares.

Notice of refusal to register transfer

24. If the Directors refuse to register the transfer of any shares, they, shall, within two months of the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.

Company not bound to recognise any interest in shares other than that of the registered holders

25. Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any persons, whether or not it shall have express or implied notice thereof.

Execution of Transfer

26. The instrument of transfer of any share in the Company shall be executed both by the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Form of Transfer

27. Shares in the Company shall be transferred in form, 7B, prescribed in Companies (Central Govt's) General Rules and Forms 1956.

Transfer to be left at office and evidence of title to be given

28. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of shares to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the

Director may decline to register shall, on demand, be returned to the persons depositing the same.

Transmission by Operation of Law

29. Nothing contained in Article 23 shall prejudice any power of the Company to register as shareholder any person to whom the right to any share in the Company has been transmitted by operation of law.

Fee on Transfer

30. A fee not exceeding two rupees may be charged for each transfer and shall if required by the Directors be paid before the registration thereof.

When register of members and debentures holders may be closed.

31. The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in any year but not exceeding 30 days at any one time after giving not less than 7 days previous notice by advertisement in some news papers circulating in the District, in which the registered office of the Company is situated.

Director's right to refuse registration subject to the provision of the Act

32. Subject to article 29, the Directors shall have the same right to refuse to register the name of a person entirely, by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

Power to increase Capital

33. Subject to the approval of the Governor and with the sanction of the company in general meeting - the Directors may increase the share capital by such sum to be divided into shares of such amount, as may be specified in the resolution.

On What condition new shares may be issued

34. Subject to the provisions of the Companies Act 1956 and such directions as may be issued by the Governor in this behalf new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the Company may in its general meeting direct and if no such direction be given as the Directors shall determine.

Provided that no shares (not being preference shares) shall be issued carrying voting right or rights in the Company as to dividend capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).

How far new shares to rank with shares in original capital

35. Except in so far as otherwise provided by the Conditions of issue or by these articles any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments transfer and transmission, lien, voting, surrender and otherwise.

New shares be offered to Members

36. The new shares shall be offered to the existing members in proportion to the shares held by each member and such offer shall be made by notice specifying the number of entitled to and limiting a time within which the offer if not accepted will be deemed to be declined and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

Reduction of Capital

37. Subject to the provisions of Section 100 to 104 of the Act, and to such directions as may be issued by the Governor in this behalf, the Company, may from time to time by special resolution reduce its capital by paying of capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may be seen expedient, and capital may be paid off upon the footing that it may be called up again or otherwise and the Directors may, subject to the provisions of the act, accept surrender of shares.

Sub - Division and consolidation of shares

38. Subject to the approval of the Governor the Company in general meeting may, from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise, of any such powers as may be required by the Act.

Power to modify

39. If at any time, the Capital, by reason of the issue of preference share or otherwise is divided into different classes of shares all or any other rights and privileges attached to each class may subject to the provisions of Sections 106

and 107 of the Act be modified, abrogated or dealt with by agreement between the Company and by any person purporting to contract on behalf of that class provided such agreement is (a) ratified in writing by the holders of shares of that class of at least three-fourths of the nominal issue value of them or (b) confirmed by a resolution passed at a separate general meeting and supported by the votes of at least three-fourths of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting except that the quorum thereof shall be members holding, or representing by proxy one-fifth of the nominal amount of the issued shares of that class. The article shall not by implication curtail the power of modification which the Company would have if the Articles were omitted.

Power to borrow

40. Subject to the approval of the Governor and subject to the provisions of the Act, the Directors may, from time to time, borrow or secure the payment of any sum or sums of money for the purpose of the company by means of resolution passed at a meeting of the Board.

Conditions on which money may be borrowed

41. Subject to the provisions of the Act, the Directors may subject to the approval of the Governor, secure the repayment of such moneys in such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or any mortgage, Charges or security on the undertaking of the whole or any part, of the property of the Company (both present and future) including its uncalled capital for the time being.

Securities may be assignable free from equities

42. Debentures, debentures stock, bonds or the other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc., or with special privilege

43. Subject to the approval of the Governor and the provisions of Section 117 of the Act, any debentures, debenture stocks, bonds other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawing allotment of shares, attending general meetings of the company, appointment of Directors and otherwise.

Persons not to have priority over any prior charge

44. Whenever any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the share holders or otherwise to obtain priority over such prior charge.

Indemnity may be given

45. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company the Director may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or persons so becoming liable as aforesaid from any loss in respect of such liability.

General Meetings

46. The first annual General Meeting of the Company shall be held within eighteen months of its incorporation. The Company shall in each calendar year hold in addition to any other meetings, an annual General Meeting. Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. The first Annual General Meeting of the Company shall - be held in accordance with the provisions of Section 166 of the Act. All meeting of the Company other than the Annual General Meeting shall be called extraordinary meetings.

When extraordinary meeting to be called

47. Subject to the provisions of Section 169 of the Act, the Directors may whenever they think fit and they shall, on the requisition of the holders of not less than one - tenth of the paid up capital of the company as that date carry a right of voting in regard to that matter and on which all calls or other sums the due have been paid forthwith proceed to convene an extraordinary General Meeting of the Company and in the case of such requisition the following provisions shall have effect.

(1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or more requisitionists.

(2) If the Directors of the Company do not proceed within twenty one days from the date of the deposit of the valid requisition to cause a meeting to be called for the consideration of these matters on a day not later than forty five days from the date of the deposit of the requisition, the requisitionists or a majority of them in value may themselves convene the meeting but any meeting so convened shall be held within three months from the date of the deposit of the requisition.

(3) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as those of the meeting convened by the Directors. If after a requisition has been received, and sufficient number of Directors to form a quorum is not present any Director may convene an Extraordinary General Meeting for the said purpose.

Notice of Meeting

48. A general meeting of the Company may be called for by giving not less than twenty one days notice in writing specifying the place, day and hour of meeting, with a statement of the business to be transacted at the meeting. Such notice shall be served on every member in the manner hereinafter provided but with the consent in writing of all the members entitled to receive notice any meeting may be convened at shorter notice.

Provided however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by sub-section (2) of Section 189 of the Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be served.

Omission to give notice

49. The accidental omission to give to or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Business Annual General Meeting

50. The business of an annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the auditors to declare dividends, to appoint and fix the remuneration of auditors, to appoint directors in the places of those retiring, and to transact any other business which under those articles ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at an extraordinary meeting shall be deemed special.

Quorum

51. Five members present in person shall be a quorum for a General Meeting

Right of Governor to appoint any person as his representative

52. (1) The Governor so long as he is a share holder of the Company, may from time to time, appoint one more person (who hosed not be member or members of the Company) to represent him at all or any meeting of the Company.

(2) Any one of the persons appointed under subclause (1) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present, in person and shall be entitled to represent the Governor of all or any such meetings and to vote on his behalf whether on a show of hand or on a poll.

(3) The Governor, may, from time to time cancel any appointment made under sub-clause (1) of this Article and make fresh appointments

(4) The production at the meeting of an order of the Governor as provided for in the Constitution of India shall be accepted by the Company as sufficient evidence of such appointment or cancellation as aforesaid.

(5) Any person appointed by the Governor under this article may, if so authorised, by such order, appoint a proxy, whether specially or generally.

Chairman of General Meeting

53. The Chairman of the Directors shall be entitled to take the Chair at every General Meeting or if there be no such Chairman, or if any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman, and if no Director shall be present decline to take the Chair, then the members present shall themselves choose one of them to be the Chairman.

If quorum not present when meeting to be dissolved and when to be adjourned

54. If within fifteen minutes from time appointed for any General Meeting, a quorum is not presented the meeting if any other case it shall stand adjourned to the same day in the next week at the same time, place, and if at such an adjourned meeting a quorum is not present the members present shall be a quorum and the business for which the meeting was called for can be transacted.

How questions to be decided at Meeting

55. Every question submitted to a meeting shall be decided by a show of hands and in the case of an equality of votes the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled to as a member.

What is to be evidence of passing of a resolution where poll not demanded

56. At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless poll is, before or on the declaration of

the result of the show of hands, demanded by a member present in person or by proxy or by duly authorised representative and unless a poll is so demanded a declaration by the Chairman that a resolution has or has not on a show of hands, been carried or carried unanimously or by a particular majority, and an entry to that effect made in the book of proceedings of the Company, shall be conclusive evidence, of the fact, without proof of the number of proportion of the vote recorded in favour of or against that resolution.

Poll

57. If a poll is duly demanded it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once, or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

Power to adjourn General Meeting

58. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same, from time to time and from place to place, where the registered office of the Company is situated but no business shall be transacted on any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

In what cases Poll taken without adjournment

59. Subject to the provisions of Section 180 of the Act, any poll duly demanded on the election of the Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

Business may proceed notwithstanding demand of poll

60. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question which a poll has been demanded.

Chairman's Decision conclusive

61. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meetings, Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Vote of members

62. On show of hands every member present in person shall have one vote and upon a poll every, member present in person on by proxy or by duly authorised representative shall have voting rights in proportion to his share of the paid up equity capital of the Company.

Voting by proxy on show of hands

63. A proxy shall not be entitled to vote on show of hands but only on a poll.

Votes in respect of shares of Deceased and Bankrupt Members

64. Any person entitled under the transmission clause to any share may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty eight hours atleast before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to such shares, unless the Directors shall previously admitted his right to such shares, or his right to vote at such meeting in respect thereof.

Joint Holders

65. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one such joint holder whose name stands first on the register in respect of such share alone be entitled to vote in respect thereof several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.

Votes in respect of shares of members of unsound minds

66. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote either on a show of hands or on a poll by his committee or other legal guardian, and any such Committee or guardian, may on a poll, vote by proxy.

Proxies permitted

67. On a poll, voted may be given either personally or by proxy or by duly authorised representative.

Instrument appointing proxy to be in writing

68. A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or

If the appointer is a body corporate be under its seal or be signed by an officer or an attorney duly authorised by it.

Instrument appointing proxy to be deposited at office

69. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

When vote by proxy valid through authority revoked

70. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer of transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Forms of Proxy

71. An instrument appointing a proxy may be in the following form or in any other form which the Directors shall approve:-

TAMILNADU HANDICRAFTS DEVELOPMENT CORPORATION LIMITED

"I.....of.....
in the district of.....
being a member of the above named Company hereby.....
..... appoint.....
of..... in the district of.....
..... as may proxy to vote for me
on my behalf at the (ordinary or extraordinary, as the case may be) General Meeting of the
Company to be held on the..... day
of and any adjournment thereof."

Signed this day of.....

No member entitled to vote etc., while call due to Company

72. No member shall be entitled to be present, or to vote on any question either personally or by proxy at any General Meeting or upon a poll, or be reckoned in quorum whilst any call or other sum shall be due and payable to be Company in respect of any of the shares of such members.

Time for objection to vote

73. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll; shall be deemed valid for all purposes of such meeting or poll whatsoever.

Number of Directors

74. (a) The Governor shall from time to time determine the number of Directors of the Company which shall not be less than three or more than 15. The Directors are not required to hold any qualification shares.

(b) The following shall be appointed as Ex-officio Directors of the Company.

1. The Director of Industries & Commerce Deleted vide IIIth Board meeting 24th AGM
2. Deputy Secretary to Government, Finance Department.
3. A representative of the administrative Department in the Secretariat of Tamilnadu Government dealing with 'Handicrafts'.
4. A representative of the Development Commissioner of Handicrafts, Government of India.

(c) The Governor may also nominate a representative of each of the following categories.

1. Industrial Co-operative Societies
2. Artisans
3. Voluntary workers in crafts sector
4. Persons eminent in the field of research and development of handicrafts.
5. Handicrafts Exporters
6. A member of the State Legislature.

(d) At the Annual General Meeting in every year, one-third of the Directors for the time being, other than the Ex-officio Directors and Managing Director but including the nominee Directors shall be liable to retire by rotation or if their number is not three or a multiple of three than the number nearest to one-third shall retire from office.

(e) The Directors to retire in every year should be those who have been longest in office since their last election, but as between the persons who became Directors on the same day, those who retire shall unless they otherwise agree among themselves be determined by lot.

(f) The Governor shall have the power to remove any Director appointed by him, at anytime in his absolute discretion

(g) The following shall be the first Directors of the Company :

(1) Thiru H. B. N. Shetty, I.A.S.,

(Director of Industries & Commerce, Madras-5)

(2) Thiru A. K. Venkatasubramanian, I.A.S.,

(Deputy Secretary to Govt., Industries Dept., Madras-9)

(3) Thiru A. P. Bhatikar, I.A.S.,

(Special officer, Department of industries & Commerce; Madras - 5)

Casual Vacancy

75. If the office of any Director other than one appointed by the Governor becomes vacant before the expiry of the period of directorship in the normal course, the resulting casual vacancy may be filled up by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date of which the Director in whose place he was appointed would have held office if the vacancy had not occurred as aforesaid.

Additional Director

76. The Directors may from time to time appoint any person as an additional Director, provided, that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 74 (a) above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

77. If a Director is absent from the state for a period of not less than three months, the Board of Directors or the Governor, in case if that Director was his appointee, may appoint an alternate Director during the said period of absence.

(b) An Alternate Director appointed as aforesaid shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been

appointed and shall vacate office if and when the original Director returns to the State in which meeting or the Board ordinarily held.

Powers of General Meeting to increase or reduce the number of Directors

78. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Clause 74 (a) of the Articles of Association of the Company, and may also determine in what rotation the increased or reduced number is to retire.

Powers to remove Directors by ordinary resolution

79. Subject to the provision of Section 284 of the Company may by an ordinary resolution appoint another person in the vacancy caused by the removal of Directors and the person so appointed shall be subject to retirement at the same time as it he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director

Appointment of Managing Director / Chairman

80. (1) The Governor may appoint any one of the Directors of the Board to be the Managing Director or Chairman for such period and upon such terms as he may think fit for the conduct or management of the business of the Company subject to the control and supervision of the Board of Directors. The Managing Director or Chairman so appointed may be authorised by the Board to exercise such of the powers and discretion in relation to the affairs of the Company as one specifically delegated to him/them by the Board and are not required to be done by the Board of Directors of the Company at the General Meeting under the Act, and the appointment of the Managing Director shall be subject to the approval of Central Government.

(2) Deleted in the postponed II Annual General Meeting held on 29-12-76

(3) The Managing Director and or Chairman shall be paid such salary and allowances as may be fixed by the Governor and approved by the Central Government.

(4) In the absence of the Managing Director on leave or otherwise, the Board may with the previous approval of the Governor empower any other Director / or Chairman to perform all or any of his functions and duties provided that when such absence is not likely to exceed three months, the previous approval of the Governor shall not be necessary.

General Power of Company vested in Directors

81. The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting the company registered and may exercise such powers of the Company as are not by the Act, or any statutory modification thereof for the time being in force or by these articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these articles and the act, and such regulations being not inconsistent with provisions, as may be prescribed by the Company in General Meeting but no such regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Specific powers to Directors

82. Without prejudice to the general powers conferred by Article 81, and the other powers conferred by these Articles subject to provisions of Section 292 of the Act, the Directors shall have the following powers namely :-

(1) To purchase, take on lease or otherwise acquire for the Company property rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;

(2) To authorise the undertaking of any new programme of capital nature subject to the condition that all cases involving a capital expenditure exceeding rupees one crore (26th AGM 22.09.1999) shall be referred to the Governor for their approval before authorisation.

(3) To pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds debenture or other securities may be either specifically charged all or any part of the property of the Company and its uncalled capital;

(4) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit;

(5) To appoint at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants permanent, temporary, or special services, as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security of such amount as they think fit in such instances.

“Provided that in respect of posts next below the chief Executive or the post carrying the scale of pay of ₹10000 - ₹15200 (pre - revised) and above as per G.O MS. No. 816 Finance (BPE) Department, dated 20.10.1992 prior approval from Government shall be obtained for recruitment / promotion.

“Provided further that no post shall be created and filled up without the prior approval of the Government as per G.O. MS. No. 27 Finance (BPE) Department, dated 21.1.2002.

(6) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(7) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment of satisfaction of any claims or demands by or against the Company;

(8) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards;

(9) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company;

(10) To determine the person who shall be entitled to sign on the Companies behalf, bills, notes, receipts, acceptances, endorsements cheques, releases, contracts and documents.

(11) To appoint any person to attorney or agent of the Company with such powers (including powers to subdelegate) and upon such terms as may deem fit;

(12) To invest in the Reserve Bank of India or in such securities as may be approved by the Governor and deal with any of the moneys of the Company upon such investment authorised by the Memorandum of Association of the Company (not being shares of this Company) and in such manner as they think fit and from time to time vary or release such investments.

(13) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Companies property (present and future) as they think fit and any such mortgage which may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

(14) Subject to the approval of the Governor to give to any person employed by the Company a commission on the profits of any particular business transaction or a share in the general profits of the Company, and such commission or share of profit shall be treated as part of the working expenses of the Company;

(15) From time to time to make very and repeal bye - laws for the regulation of the business of the Company its officers and servants ;

(16) To give award or allow any bonus, pension, gratuity or compensation to any employee, of the Company or his widow, children or dependents that may appear to the Directors just or proper whether such employee, his widow, children or dependents have or have not legal claim upon the Company ;

(17) Before declaring any - dividend and subject to the approval of the Governor to set aside such portion of the profits of the Company as they may think fit to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;

(18) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in the State of Tamil Nadu or out of the State of Tamil Nadu and to appoint any persons to be members of such local Board and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make call; and to authorise the members for the time being of any such local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made in such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation;

(19) To enter into all such negotiation and contracts and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company, and

(20) Subject Section 292 of the Act to delegate all or any of the powers, authorities and discretion for the time being vested in them, subject, however to the ultimate control and authority being retained by them.

Directors to cause Minutes to be made in the books

83. The Director shall cause minutes to be made in books provided for the purpose.

- (a) Of all appointments of officers made by the Directors.
- (b) Of all the names of Directors present at each meeting of the Directors and of any Committee of the Directors.
- (c) Of all resolutions and proceedings at all meetings of the Company and the Directors and of the Committees of the Directors.

Seal

84. The seal of the Company shall not be affixed to instrument except by the authority of a resolution of the Board of Directors and except in the presence of atleast two Directors or such other person as the Board may appoint for the purpose and the said Directors or the persons aforesaid shall sign every instrument to which the seal is so affixed in his presence.

Vacation of Office by Directors

85. The Office of a Director shall become vacant if

- (a) He is found to be of unsound mind by a Court of competent jurisdiction;
- (b) He applies to be adjudicated as insolvent;
- (c) He is adjudicated as insolvent;
- (d) He is convicted by a Court of any offence involving moral turptitude and sentenced in respect thereof to imprisonment to not less than six months;
- (e) He fails to pay any call in respect or shares of the Company held by him whether alone or jointly with others, within six months from the last date fixed for the payment of the call ;
- (f) He absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board ;
- (g) He fails to disclose the nature of his concern or interest in any contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company as required under Section 299 of the Act.
- (h) He becomes disqualified by an order of Court under Section 203 of the Act.

(i) he is removed in pursuance of Section 284 of the Act.

(j) he is concerned or participates in the profit of any contract with the Company

Provided, however, no Director shall vacate his office by reasons of his becoming a members of any Company which has entered into contract with or done any work for the Company of which he is a Director, but a Director shall not vote in respect of any such contract or work and if he does so vote, his vote shall not be counted.

Note : The disqualifications referred to in sub - clauses.

(c) (d) and (h) above shall not take effect.

(a) For thirty days from the date of adjudication, sentence or order ;

(b) Where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of, or

(a) Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed off.

Meeting of Directors and Quorum

86. The Directors may meet together for the transaction of business once atleast in every three calendar months and not more than two months shall intervene between the last day of the calendar month in which such meeting is held and the date of the next meeting. They may adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of the business. Until other - wise determined one-third of the total strength of Directors (any fraction contained being rounded off as one) or minimum two disinterested Directors whichever is higher shall be a quorum.

Place of Meeting

87. The meeting of the Board may be held at the Registered Office or anywhere in the interest of the Company.

Sitting Fees and T.A. to the Directors

88. (a) The Director shall be entitled to such sitting fees for attending a meeting of the Board of Directors (or) a committee (or) a sub committee thereof as may be fixed by the Board of Directors not exceeding Rs. 150/- per meeting (amended as per 111th Board Meeting 14-3-1997 Further amended as follows in 184 th Board Meeting held on 28.3.2012 as per G.O. Ms.No. 348 of Finance (BPE) Department dt. 16.12.2011. When a vehicle is provided to attend the Meeting :₹ 1500 per day. When no vehicle is provided the Meeting :₹ 2000 per day.

(b) In addition to the remuneration payable to them as above the Directors may be paid all travelling, hotel and other expenses properly incurred by them (1) in attending to and returning from the meetings of Board of Directors or any Committee thereof of (2) in connection with the business of the Company

Director may summon meeting How questions to be decided

89. The Managing Director may at any time convene a meeting of the Directors and questions arising at any meeting shall be decided by a majority of votes. The Chairman shall have a second or casting vote.

Power of Quorum

90. A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

Chairman of Director's Meeting

91. The Governor may nominate a Director as Chairman of the Director's meetings and determine the period for which he is to hold the said office, if no such Chairman is nominated, or if at any meeting the Chairman is not present within 5 minutes after the time for holding the same, the Directors present may choose one of their numbers to be Chairman of the meeting.

Powers of Chairman

The Chairman shall reserve for the decision of the Governor any proposals or decisions of the Board of Directors or any matter brought before the Board which in the opinion of the Chairman is an important issue and which is on that account fit to be reserved for the decision of the Governor and on decision on such an important issue shall be taken in the absence of the Chairman appointed by the Government.

In respect of matters reserved by the Chairman for decision of the Governor if the Governor's views are not received within a period of two months, the Directors shall be entitled to act in accordance with the proposal or decision without further reference to the Governor.

Delegation of powers to Committees

93. The Directors may, subject to the restrictions laid down in Section 292 of the Act, delegate any of their powers to Committees consisting of such member or members of their body as they think fit and may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers delegated, conform to any regulations that may, from time to time imposed upon it by the Directors,

Chairman of Meeting of Committees

94. A Committee may elect a Chairman for their meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their members to be Chairman of the meeting.

When actions of Directors or Committees valid notwithstanding defective appointment

95. All acts done by any meeting of the Directors or of a Committee of Directors or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of Such Directors or persons acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Resolution without Board Meeting valid

96. Save as otherwise expressly provided in the Act, a resolution in writing signed by a majority of such of them as are entitled to vote on the resolution shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

Reserve fund

97. Subject to such directions as may from time to time be issued by the Governor in this behalf, the Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve

fund to meet contingencies or for equalising dividends or for special dividends or for repairing improving and maintaining any of the property of the Company and for amortisation of. capital and for such other purpose as the Directors shall in their absolute - discretion think conducive to the interests of the Company and may invest the several sums to set aside upon such investments (other than shares of the Company) as they may think fit from time to time, deal with and very such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve funds into such special funds, as they think fit and employ the reserve funds or any part thereof in the business of the company and without being bound to keep the same separate from the other assets.

Dividends

98. The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these present subject to the provisions and provision, of the Act of these presents as to the reserve fund amortisation of capital shall with the approval of the Governor be divisible among the members in proportion to the amount of capital held by them respectively.

Provided always that any capital paid up on a share during the period in respect of which dividend is declared shall entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

Capital paid up in advance

99. Where capital is paid up on any shares in advance of calls upon footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to participate in profits.

Declaration of dividends

100. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the Directors.

Dividends out of profit only and not to carry interest

101. No dividend shall be payable otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the Company.

When to be deemed net profit

102. The declaration of the Directors as to the account of the net profits of the Company shall be conclusive.

Interim dividend

103. Subject to the provisions of Section 205 of the Act the Directors may from time to time, pay to the members such interim dividends as may be decided by them having regard to the position of the Company.

Debts may be deducted

104. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which - the lien exists.

105. Any General Meeting declaring a dividend may a call on the members of such amount as the meeting fixes, but the call on such members shall not exceed the dividends payable to him and the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call. The making of call, under this clause shall be deemed ordinary general meeting which declares a dividend.

Dividends or Bonus payable wholly or partly in cash

106. Any general meeting declaring a dividend may resolve or direct that such dividend wholly or in part be paid in cash in accordance with Section 205 of the Act and in particular of paid up share, debentures or debenture stock of any other Company or may appoint any person to sign such contract on behalf of the person entitled to the dividend of the capitalised fund such appointment shall be effective.

Effect of Transfer

107. The transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

Retention of certain cases

108. The Directors may retain the dividends payable upon the shares in respect of which any person in under Article 23 entitled to become a member or which any person under that clause is entitled to transfer until such persons shall become a member in respect of such shares or shall duly transfer the same.

Dividend to joint holderes

109. Any one of the several persons, who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of the such shares.

Payment by Post

110. Unless otherwise directed any dividend may be paid by cheque or warrant through post to the registered address of the member or person entitled to in the case of the member or person entitled or in the case of the joint holders to the address of that one whose name stands first in the register in respect of the joint holding or to such person and to such address as the share holder or joint holder may in writing direct and every cheque or warrant so sent shall be made payable to the order of the persons to whom it is sent.

Notice of Dividend

111. Notice of the declaration of any dividend whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

Unclaimed Dividend

112. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends, unclaimed for six years after having been declared may be added to the reserve fund of the Company, by the Directors for the benefit of the Company , if they think fit.

Accounts to be kept

113. The company shall cause to be kept proper books of accounts with respect to ;

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.
- (b) all sales and purchases of goods by the Company.
- (c) the assets and liabilities of the Company.

Inspection of Account Books

114. The books of accounts shall be kept at the registered office of the company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

Inspection by Members

115. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and non- member (not being a Director) shall have any right to inspecting any account or book or document of the company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

Annual Accounts and Balance Sheet

116. The Directors shall at some date not later than 18 months after the incorporation of the company and subsequently once at least in every year lay before the company in general meeting a balance sheet and profit and loss account in the case of the first account since the incorporation of the company and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months.

Annual Report of Directors

117. The Chairman of the Board of Directors shall cause an annual report to be made out and attached to the state of Company's affairs the amount if any which they recommend should be paid by way of dividend and the amount if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance sheet, The report shall be signed by the Chairman of the Board of Directors on behalf of the Director if authorised in this behalf by the Directors and when he is not so authorised shall be signed by all the Directors who may sign the balance sheet and the profit and loss account by virtue of sub - sections (1) and (2) of Section 215 of the Act.

Contents of Profit & Loss Account

118. Forms of balance sheet and profit and loss account shall be in accordance with the provision of Section 211 of the Act the profit and loss account shall, in addition to the matters referred to in Section 211 of the Act show, arranged under the most convenient heads the amount of gross income, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that the just balance of profit and loss may be laid before the meeting and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any of expenditure which may in fairness be distributed over several years has been

incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

Balance Sheet and Profit and Loss Account to be sent to Members

119. The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member of the company in the manner in which notices are to be given here under atleast twenty one days before the meeting at which it is to be laid before the members of the Company and shall deposit a copy to the registered office of the company during a period of atleast twenty one days before that meeting

Directors to company with Section 209 to 222 of the Act

120. The Directors shall in all respects comply with the provisions of Sections 209 to 222 of the Act or any statutory modification thereof for the time being in force as may be applicable to the Company.

Accounts to be audited annually

121. Once atleast in every year the accounts of the Company shall be examined and the corrections of the profit and loss account and balance sheet ascertained by one or more Auditors as provided in the Act.

Appointment of Auditors

122. The Auditors of the Company shall be appointed or reappointed by the Central Government on the advise of the Comptroller & Auditor General of India and their rights and duties shall be regulated by Sections 224 to 233 of the Act.

Auditors right to attend meetings

123. The Auditors of the Company shall be entitled to receive a notice of and to attend any General Meeting of the Company at which any accounts which have been examined or reported by them are to be laid before the Company and may make any statement or explanation they desire with respect to the accounts.

Powers of the Comptroller and Auditor General of India

124. The Comptroller and Auditor General of India shall have power.

(a) to direct the manner in which the Company's accounts shall be audited by the auditors appointed in pursuance of Article 118 hereof and to give such auditors instructions in regard to any matter relating to the performance of their functions as such ;

(b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorised in his behalf ; and for the purposes of such audit, to have access at all reasonable times to all accounts, accounts books, vouchers, documents and other papers of the, Company and to require information or additional information to be furnished to any person or persons so authorised on such matter, by such person or persons and in such form, as the Comptroller and Auditor General of India may by general or special orders direct.

Comments upon or supplement to audit report by the Comptroller and Auditor General of India to be placed before ordinary meetings.

125. The Auditors aforesaid shall submit a copy of their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit, Any such comments upon or supplement to the audit report shall be placed before the annual general meeting of the company at the same time and in the same manner as the audit report.

Accounts to be deemed finally settled

126. Every account of the company when audited and approved by a General Meeting shall be conclusive except as regards any arrear discovered therein with in three months next after the approval thereof, whenever any such error is discovered within the period the account shall forth with be corrected and thence forth shall be conclusive.

Rights of the Governor

127. Not with standing anything contained in any of these articles, the Governor may, from time to time issue such directions as he may consider necessary in regard to the conduct of the business of the Company of Directors thereof and in like manner may vary and annual any such directive. The Directors shall give immediate effect to the directive so issued.

How notices to be served on Member

128. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address) to the address if any supplied by him to the company for the giving of notice to him.

Notification of address by a holder of registered shares having no registered place or address

129. A holder of registered shares, who has no registered place of address may, from time to time, notify in writing to the company an address which shall be deemed his registered place or address within the meaning of Article 124.

When notice may be given by advertisement

130. If a member has no registered address and has not supplied to the company, an address for the giving of notice to him, a notice addressed to him and advertised in newspapers circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given on the date on which the advertisement appears.

Notice to Joint holder

131. A notice may be given by the Government to the joint holder of a share by giving the notice to the joint holder named first in the register in respect of the register in respect of the share.

How Notice to be given to representatives of a deceased or bankrupt member

132. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the assignee of the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

To whom notice of General Meeting to be given

133. Notice of every general meeting shall be given in the same manner here - in before authorised to (a) every member of the company except those members who having no registered address have not supplied to the company an address for the giving of notice to them and also to (b) every person entitled to share in consequence of the death or insolvency of a member, who for his death or insolvency would be entitled to receive notice of the meeting provided the company has due notice.

Transfer etc., bound by prior notice

134. Every person who by operation of law, transfer or other means what soever, shall become entitle to any share shall be bound by every notice in respect of such share which previously issued to his name and address and title to the share being notified to and registered by the company shall; be deemed to have duly given his title of such share.

How notice to be signed

135. The signature to any notice to be given by the company may be written or printed, where a given number of days notice or notices extending over any other period is required to be given the day of service shall unless it is otherwise provided be counted in such number of days or other period.

Distribution of Assets on Winding up

136. If the company shall be wound up and assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up excess shall be distributed among the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively. But this clause shall be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Secrecy Clause

137. No member shall be entitled to require discovery or any information respecting any detail or company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

Indemnity

138. Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditors, Secretary and other Officer or servants of the company shall be indemnified by the company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties, and the amount for which such indemnity is provided shall have priority as between the members over all other claims.

Individual responsibility of Directors

139. No Director, or other officer of the company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer on the Company or for joining in any receipt or other act for conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title, of any security in or upon which any of the moneys of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys securities or effects shall be deposited or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relations thereto, unless the same happens through his own negligence default, misfeasance, breach of duty or breach of trust.

Sl. No.	Name, address, occupation and description of the Subscribers	Witness with address, description & occupation
1.	HARBANS SINGH, I.A.S., S/o. S. Tarasingh, Special Secretary to Govt, Industries Dept, Fort St, George, Chennai -9. (For & on behalf of he Governor)	V.VISWANATHAN, S/o. R. Vaidyanathan Deputy Director (Cost Accounting) Dept, of Industries & Commerce, 72, Officers Colony, Chennai -29.
2.	HARBANS SINGH, I.A.S., S/o. S. Tarasingh, Special Secretary to Govt, Industries Dept, Fort St, George, Chennai -9.	
3.	S. VENKITARAMAN, I.A.S., S/o. V. Sankaranarayana Iyer, Special Secretary to Govt, Industries Dept, Fort St, George, Chennai -9.	
4.	K. VENKATESAN, I.A.S., S/o. K. Kandaswami, Joint Secretary to Govt, of Tamil Nadu, Finance Dept. Fort St. George, Chennai -9.	
5.	H.B.N. SHETTY, I.A.S., S/o. Mahabala Shetty, Director of Industries & Commerce Chennai - 5. 304, Indira Nagar, I Cross Street, Adyar, Chennai - 20.	
6.	A.K. VENKATASUBRAMANIAN, I.A.S., S/o. A.K. Krishnan Deputy Secretary to Govt., Industries Dept., Fort St. Goerge, Chennai - 9. M-76, Besant Nagar, Chennai - 90.	
7.	A.P. BHATIKAR, I.A.S., S/o. P.R.P. Bhatikar, Special Officer for formation of Industries Development Corporation Ltd., Chennai - 5 222, 4th Avenue, Indira Nagar, Adyar, Chennai - 20.	

Chennai, Dated this 23rd day of July, 1973.