

MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

OF

*Karnataka State Handicrafts
Development
Corporation Limited*



Regd. Office :

KSHDC Complex,
No. 45, M.G. Road, BANGALORE - 560 001.

MEMORANDUM OF ASSOCIATION OF KARNATAKA STATE HANDICRAFTS DEVELOPMENT CORPORATION LIMITED

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|--|---|---|-----------|-------------------------|-----------------------|
| <p>I. The name of the Company is "KARNATAKA STATE HANDICRAFTS DEVELOPMENT CORPORATION LIMITED".</p> | <p>Name</p> | | | | |
| <p>II. The Registered Office of the Company will be situated in the State of Karnataka.</p> | <p>Reg.
Office</p> | | | | |
| <p>III. The objects for which the Company is established are :</p> <ol style="list-style-type: none"> 1. To acquire and take over as a going concern the business now carried on in the State of Karnataka under the name and style of "Karnataka Government Arts and Crafts Emporium", Bangalore, Chamarajendra Technical Institute Arts and Crafts Show Rooms, Mysore, other Government Handicrafts Emporia at Mangalore, Davangere, Hubli, Belgaum, Karwar, Gulbarga, Bijapur and Government Show Room at Channapatna with all the assets and liabilities of the business and to carry on the same business with its original objects and purposes and to extend the same and for that purpose to acquire by purchase, lease or otherwise any land, buildings, machinery or other properties in Bangalore or elsewhere as the Company may from time to time determine and to sell or dispose of the same. 2. To manufacture, sell, propagate work of art, paintings, handloom goods, Sandalwood, Ivory Works, Coir products, Soaps, sandalwood oil and the like hitherto carried on by the Karnataka Government Arts and Crafts Emporium, Bangalore and other Emporia and to continue the business for the objects and reasons for which they were originally established. 3. To manufacture, sell deal in all kinds of handicraft products such as : <table border="0" style="margin-left: 40px;"> <tr> <td style="vertical-align: top;">Textiles</td> <td style="vertical-align: top;"> :- Hand Printing and Traditional Dyeing and Textiles
 Brocade
 Himroo
 Carpets and Druggets
 Rugs, Gabbas, Namdas
 Embroidery (Cotton, Silk, Wool and Saree)
 Lace and lace work including nakki and gota making Shawls
 Handloom, Powerloom, Spun etc. </td> </tr> <tr> <td style="vertical-align: top;">Metalware</td> <td style="vertical-align: top;"> :- Silver and Goldwares </td> </tr> </table> | Textiles | :- Hand Printing and Traditional Dyeing and Textiles
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| Metalware | :- Silver and Goldwares | | | | |

	Bidri
	Filigree
	Brassware and Copperware
	Bronze Work, etc.
Wood Work	:- Wood carving and Inlay
	Lacquer work including Nirmal Work
	Decorative Furniture etc.
Ceramics	:- Pottery and Earthenware, Porcelain
Stone Work	:- Stone carving including marble work and
	Alabaster
Toys	:- Dolls, Toys including Mechanical Toys
Leather	:- Artistic Leather Goods
Ivory	:- Ivory Carving
Papier Machie	:- Papier Machie Articles
Horn	:- Artistic Horn
Bone	:- Artistic Bone
Cane, Bamboo, etc	:- Articles made of cane, bamboo, willow,
	straw and grass including mats and
	pithcraft. Incense and Perfumery
Flax and Fibre	:- Articles made of flax and fibre
Bangles and Beads	:- Bangles and Beads
Musical Instruments	:- Musical Instruments
Conch - Shell & Semi	
precious stones	:- Articles made of conch shell and semi
	precious stones.
Paintings	:- Traditional art objects such as Orissa,
	Mysore and Tanjore, Nirmal paintings and
	handicraft products specially made for
	ceremonies, articles workmanship of and
	Theatrical requisites such as costumes,
	masks, puppets etc.

4. To manufacture and sell all other products which are allied to or conveniently be dealt with along with the products mentioned in clause (2) and (3) above.

5. To establish in Bangalore or elsewhere Emporia, Art galleries for the exhibition of paintings, works of art handloom products, Sandalwood and Ivory works, engravings, sculptures, bronzes, enamels, jewellery, gems, coins, medals and other works of art and for social, musical theatrical and other entertainments and for other purposes whether of a like or of a different kind, which may seem expedient.

6. To form a collection of works of art suitable for exhibition and sale in such art galleries and to encourage the exhibition in such galleries of loan and other collections of works of art.

7. To manufacture, buy, sell and deal in works of art of all kinds and to provide expert advice of all kinds for customers and others.

8. To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiment and tests of a all kinds, to promote studies and research both scientific and technical, investigation and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remunerations of scientific or technical teachers and trainees and by providing for the award or exhibition, scholarship, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigation, experiment, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
9. To provide, assist, give training at the expense of the Company to those who are interested in the manufacture and sale of the products of the Company in India and abroad and to offer awards, scholarships and prizes for the same.
10. To employ Engineers, Mechanics, Masons, Carpenters Scaffold-setters, Painters, Electricians and other technicians as may be found necessary for the efficient handling and carrying on the business of the Company.
11. To appoint Agents and Managers and to constitute agencies or branches of the company in any place the Company thinks fit.
12. To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with any of the above specified business or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
13. To purchase or otherwise acquire and undertake all or any part of the business, property and liability of any person, firm or company or Government concern carrying on any business which this company is authorised to carry on or possessed of properties suitable for the purpose of this Company.
14. To let out on hire all or any of the properties of the Company including every description of apparatus and appliances of the Company.
15. To apply for, purchase or otherwise acquire any patents, brevets d'invention, licences, concessions and the like conferring an exclusive or non-exclusive or limited rights to use any invention, secret or other information which may seem capable of being used for any of

the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, grant licences in respect of or otherwise turn to account the property rights and information so required.

16. To enter into partnership or into any agreement for sharing profits, union or interest, joint venture, reciprocal concession or cooperation with any person or Company carrying on or above to carry on any business which this Company is authorised to carry on or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to take or otherwise acquire and hold shares or stocks in or securities of and to subsidise or otherwise assist any such Company, and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares and securities.

17. To Subscribe for take, Purchase or otherwise acquire and hold shares or other interests in or securities of any other Company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this company.

18. To enter into any arrangement with any Government or authorities (Municipal, local or otherwise) or any Corporations, companies or persons that may seem conducive to the Company's objects or any of them and to obtain from any such Government, authority, corporation, company or person any contracts, rights privileges and concessions which the company may think desirable and to carry out, exercise and comply with any such contracts, rights, privileges and concessions.

19. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit the employees or ex-employees of the company or its predecessors in business or the dependants or connections of such persons and to grant pensions and allowances and to make payment towards insurance and to subscribe or grant money for charitable and other benevolent objects or for any exhibition or for any public, general and useful objects.

20. To promote any other Company or Companies for the purpose of acquiring all or any part of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.

21. Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Company, may think necessary or convenient with reference to any of its objects or capable of being profitably dealt with

in connection with any of the Company's property or rights for the time being and in particular any land, buildings, leaseholds, licences, patents, machinery, plant and stock-in-trade.

22. To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
23. To advance money to such parties and on such terms as may seem expedient and in particular to customers of, and the persons, having dealings with the Company and to guarantee the performance of contracts by members of, or persons having dealings with the Company and to allow customers and others to draw on the Company to such extent and on such terms as may be arranged.
24. To borrow or raise and secure the payment of money in such manner as the company shall think fit and in particular by the issue of debentures, or debenture stock, perpetual, or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities.
25. To draw, make, accept, endorse, discount, execute, and issue bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
26. To sell or dispose off the undertakings of the Company or any part thereof for such consideration as the company may think fit and in particular for cash or for shares, whether fully or partly paid, debentures or securities of any other company having objects, altogether or in part similar to those of this Company.
27. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase or exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
28. To sell, exchange, improve, manage, develop, lease, mortgage, dispose off, turn to account or otherwise deal with all or any of the property and rights of the Company.
29. To obtain any Act of Central or Provincial Legislature, provisional order, licence or autonomous body or authority for enabling the company to carry out any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceedings or application which may seem calculated directly or indirectly to prejudice the Company's interests.

30. Subject to the provisions of the Company's Act, 1956, and Constitution of India to subscribe to or otherwise aid benevolent, charitable, national, political subject to the provisions of Section 293A of the said Act, or otherwise institutions of objects of a public of the said Act, or other institutions of objects of a public character which have any moral or other claims to support or aid by the Company by reason of the locality of its operations or otherwise to make donations to such persons and in such cases as may seem expedient.

31. To distribute any of the property of the Company among the members in specie or in kind but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by Law.

32. To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "Company" in this Memorandum when applied otherwise than to this Company shall whenever the context shall so require or admit be deemed to include any authority. Partnership or other body of persons whether incorporated or unincorporated and whether domiciled in India or elsewhere.

The objects of the Company extend to all the States in the Indian Union.

33. [*] To operate Raw Material Depots for the benefit of the genuine artisans in the interest of furtherance of the objectives of the Corporation.

IV. The liability of the member is limited.

V. The Share Capital of the Company is Rs. 4,50,00,000 divided into 4,50,000 equity shares of Rs. 100/- each.

(As amended in the 32nd AGM held on 18-12-1996).

The Company has power from time to time to increase or reduce its capital and issue in any shares in the original or new capital as equity or preferred shares and to attach to any class or classes of such shares any preferences, rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions, and to vary the regulations of the Company, as far as necessary, to give effect to the same and upon the sub-division of a share to apportion the right to participate in profits in any manner subject to the prior consent of the Government of India or the order of Court, if the same be necessary, being obtained before doing so.

*--- Added - Eighth Annual General Body Meeting held on 30-11-1972.

We, the several persons whose names and addresses are subscribed hereunder, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names :-

Sl. No.	Name of subscribers	Address, descriptions and occupations of the subscribers	No. of Equity shares taken by each subscriber	Witness with address, description & occupation
1.	G. Mathias Secretary to Government of Mysore, Finance Department, for and on behalf of the Governor of Mysore.	Son of Martin Mathias, 8/1, Commissariat Road, Civil Station, Bangalore - 1.	1(one)	R.P. Shivanna, Deputy Director of Industries and Commerce, son of Late R.P. Mallappa, 90, Kumara Park West Extension, I Block, Bangalore - 20.
2.	M. Rahmathulla	Secretary to Government of Mysore, Commerce and Industries Department, 4-A, Residency Road, Bangalore. Son of Mohamed Abdulla Sherieff.	1(one)	Do

2 (Two)

Dated at Bangalore the 9th day of March 1964.

ARTICLES OF ASSOCIATION OF KARNATAKA STATE HANDICRAFTS DEVELOPMENT CORPORATION LIMITED

PRELIMINARY

1. The Regulations contained in Table A in the first Schedule to the Companies Act, 1956 so far as the same may be applicable to a (*public) Company as defined in the Act shall apply to this Company in the same manner as if all such regulations of Table A are specifically contained in these Articles. Subject to the modifications herein contained.

INTERPRETATION

2. "Company" means the above company, "The Act" or "The said Act" means Companies Act, 1956 or the Act or Acts for the time being in force. "Governor" means the Governor of the Karnataka State.

"Month" means a calendar month.

"The Directors" means the Directors for the time being of the Company.

Words importing the singular number also include the plural number and 'Vice Versa'.

Words importing the masculine gender also include the feminine gender.

Words importing persons include Corporations.

3. * Deleted

4. Except as provided in Section 77 of the Act no part of the funds of the Company shall be employed in the purchase of the Company's own shares.

**Com-
pany's
Shares
not to be
purchased**

* Amended - Eighth Annual General Meeting held on 30-11-1972

* Deleted - 8th A.G.M. 30-11-1972

* Deleted - 8th A.G.M. 30-11-1972

5. Subject to the directions of the Governor in that behalf and subject to the provisions of these articles the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit. (*)

**Allotment
of
Shares.**

6. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or recognise any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these presents otherwise expressly provided) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

**Trusts
not
recog-
nised**

7. The right of members to transfer their shares shall be restricted as follows :

**Transfer
of Shares.**

a) A share may be transferred by a member or other person entitled to transfer to a person approved by the Governor.

b) Subject as aforesaid, the Directors may, in their absolute and uncontrolled discretion refuse to register any proposed transfer of shares.

8. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and 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. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor, or his right to transfer shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register, shall on demand be returned to the person depositing the same.

**Execution
of
Transfer.**

9. Nothing contained in Article 7 shall prejudice any power of the Company to register as share holder any person to whom the right to any shares in the company has been transmitted by operation of law.

**Transmis-
sion of
Shares.**

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

**Fee on
Transfer**

* - Amended - Eighth Annual General Meeting held on 30-11-1972

Issue of new Shares.	11. (*) "Subject to the provisions of Section 81 of the Act", new shares or further shares shall be issued upon such terms and conditions and with rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given, as the Directors shall determine subject to the provisions of the Act.
Alteration or reduction of Capital	12. Subject to such directions as may be issued by the Governor the Company may alter its share capital in any manner as provided in Section 94 of the Act or reduce the share capital as provided in Section 100 of the Act, as and when the company finds it necessary.
General Meetings	13. (*) All General Meetings of the Company may be convened, by giving not less than 21 days notice in writing.
Extraordinary General Meetings	14. Directors may, whenever they think fit and shall when required by the Governor, call Extraordinary General Meetings.
	15. * Deleted
	16. * Deleted
Quorum	17. (* Five) members present in person of whom one shall be a representative of the Governor shall be a quorum for a General Meeting.
Governor's representation	18. The Governor, so long as he is a shareholder of the Company may from time to time appoint one or more persons (who need not be a member or members of the Company) to represent it at all or any meetings of the Company.

DIRECTORS

Minimum and Maximum number of Directors.	19. The Company shall have not less than seven and not more than ten Directors. (As amended in the 31st A.G.M. held on 6th March 1996)
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* Amended - Eighth Annual General Meeting held on 30-11-1972.

20. (*) Not less than two-thirds of the total number of Directors for the time being shall be persons whose period of office is liable to determination by retirement by rotation and in every Annual General Meeting, one-third of the number of Directors liable to retirement by rotation, shall retire or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The Directors to retire in such cases shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless otherwise agree among themselves) be determined by lot.

**Period of
Office of
Directors.**

(62nd meeting of the Board of Directors, held on 3rd October 1973)

20. A) The Government of Karnataka shall be entitled to appoint one or more Directors for the time being and shall be entitled to remove him/them from that office at any time and to appoint any other person thereto.

(As amended in the 19th AGM held on 15-12-1983)

21. No qualification by way of share holding shall be required from any Director.

**No quali-
fication
shares
required**

22. Each Director shall be paid out of the funds of the company as remuneration for his services a sum not exceeding Rs. 50/- for every meeting of the Board of Directors at which he shall be present in person, besides travelling, hotel and other expenses if any.

**Remune-
ration of
Directors**

23. With the previous consent of the Governor in that behalf and subject to provisions of Section 314 (* and other applicable provisions) of the Act, the Board of Directors may pay to any Director for special services rendered by him either as Chairman or in any other capacity or manner such remuneration as they may think fit which remuneration may be in the form of either salary or commission or lumpsum or partly in one and partly in another and may either be in addition to or in substitution of the sitting fees and other remuneration mentioned in the last preceding clause, or such Directors may be paid an honorarium for such services rendered in addition to travelling, conveyance or any other allowance which may be determined by the Directors from time to time, either in addition to or in substitution of the sitting fees and other remuneration mentioned in the last preceding clause.

**Specific
remune-
ration of
Directors**

* Amended - Eighth Annual General Meeting held on 30-11-1972

24. With the previous consent of the Government of Karnataka in that behalf, the Board of Directors shall have power to appoint Additional Directors and alternate Directors in accordance with law (As amended in the 19th AGM held on 15-12-1983).

25. Subject to the provisions of the Act, The Board of Directors of the Company shall be entitled to exercise all such powers and do all such acts and things as the Company is authorised to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by this or any other Act or the Memorandum or Articles of the Company or otherwise to be exercised or done by the company in General Meeting. Provided further that in exercising any such power or doing any such act or things, the Board shall be subject to the provisions contained in that behalf in this or any other Act or in the Memorandum or Articles of Association of the Company or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Specific Power

26. Without prejudice to the general powers conferred by Article 25 thereof and the other powers conferred by these Articles and subject to the provisions of the Act the Directors may have power -

To acquire property

- 1) 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 ;

Works of Capital nature

- 2) authorise the undertaking of works of a capital nature :

To pay for property in debentures, etc.

- 3) pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in each 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 bond, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged ;

To secure contracts by mortgage

- 4) secure the fulfilment of any contract or engagement 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 :

To borrow funds

- 5) With the previous approval of the Governor to borrow or raise or secure the payment of any sums of money for the purpose of the Company and in particular by the issue of debentures, perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenues of the Company, present or future, including its uncalled capital by special assignment or otherwise, or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient ; and to purchase, redeem, or pay off any such securities.

To appoint Trustees

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

To bring and defend action, etc.

- 7) Institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officer, or otherwise concerning the affairs of the Company ; and also compound and allow time for payment or satisfaction of any claims or demands by or against the Company ;

To refer to arbitration

- 8) Refer any claims or demands by or against the Company to arbitration, and observe and perform the awards ;

To give receipts

- 9) Make and give receipts, releases, and other discharges for money payable to the Company and for the claims and demands of the Company ;

To authorise to sign bills, etc.

- 10) Determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents ;

To appoint attorneys

- 11) Provide from time to time for the management of the affairs of the Company outside a place of location of the registered office in such manner as they think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit ;

To invest moneys

- 12) 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 investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit, and from time to time vary or realise such investments ;

To give security by way of indemnity

- 13) 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 liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants, and provisions as shall be agreed on ;

To give percentage of commission

- 14) Subject to the approval of the Governor and the provisions of the Act, 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 profits shall be treated as part of the working expenses of the company ;

To make bye-laws

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

To give bonus

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

To create provident fund

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

To establish Local Board

- 18) From time to time and at any time establish local board for managing any of the affairs of the Company in any specified locality in India, or out of India, and appoint any persons to be members of such local Board and fix their remuneration ; and from time to time and at any time 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 calls ; and 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 annual or vary any such delegation ;

To make contracts, etc.

- 19) Enter into all such negotiations 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 purposes of the Company ; and

To sub-delegate powers

- 20) Sub-delegate all or any of the powers, authorities and discretion for the time being invested in them subject however to the ultimate control and authority being retained by them.

27) a) The Board of Directors subject to the provisions of Section 285 of the Act, may meet once in every calendar month for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

b) The Government of Karnataka may nominate the Chairman of the Board who shall preside over the Board and General Meetings.

c) The Government of Karnataka may nominate one or two Vice-Chairmen of the Board. One of the Vice-Chairman as may be directed by the Chairman, shall, in the absence of the Chairman, preside over the Board and General Meetings.

(As amended in the 19th AGM held on 15-12-1983).

**Board
Meeting
and the
Quorum**

d) In the absence of Chairman and Vice-Chairman, the members present may elect anyone among themselves to preside over the meetings.

e) Questions arising at any meeting of the Board shall be decided by a majority of vote. In case of equality of votes the Chairman shall have a second or casting vote.

f) (*) The quorum necessary for the transaction of the business of the Board shall be one-third of its total strength or two Directors whichever is higher.

**Reso-
lution by
Circu-
lation**

28. Say as otherwise expressly provided in the Act a resolution in writing signed by all or a majority of the members of the Board or a committee thereof for the time being entitled to receive notice of a meeting of the Board or committee shall be as valid and effective as if it had been passed at a meeting of the Board or Committee duly convened and held. In the event of the signature of any one or more of the Directors to any such resolution being affixed on different dates the said resolution shall be deemed to be passed on the date of signature of the Director signing last.

29. The Chairman shall reserve for the approval of the Governor any Proposal or decision of the Board of Directors or any matter brought before the Board of Directors which raises in the opinion of the Chairman an important issue and which is on that account fit to be reserved for the approval of the Governor and no decision shall be taken on such an important issue in the absence of the Chairman appointed by the Governor.

No action shall be taken by the Company in respect of any proposal or decision of the Board reserved for the approval of the Governor as aforesaid until the said approval to the same has been obtained. Provided that if the approval of the Governor be not received within a period of three months the Board shall be entitled to reconsider the matter further.

**Dele-
gation of
Powers**

30. The Directors may delegate any of their powers to Committees consisting of such number of 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 so delegated, conform to any regulations that may from time to time be imposed upon its Directors. It is also permissible for the Board to constitute committees consisting of its members and members of the public or officials and non-officials to serve as advisory committees on matters connected with the business of the Company.

* - Amended - Extraordinary General Body Meeting held on 5-6-1971

31. Subject to the provisions of Sections 197 A, 267, 261, 268, 269 and 309 of the Act, Government of Karnataka may from time to time appoint any member of the Board as a Managing Director of the Company for a period not exceeding five years at a time on such terms and conditions and on such remuneration as 'Government of Karnataka' may think fit, and subject to the terms of any agreement entered into with him, Government of Karnataka may revoke such appointment. Provided the Director so appointed shall ipso facto vacate his office as the Managing Director if he ceases to be a Director of the Company. (As amended in 23rd AGM held on 29-12-1987)

32. The Governor in consultation with the Board of Directors may from time to time entrust to and confer upon the Managing Director for the time being such of the powers exercisable under these articles by the Directors as they may think fit and may confer such powers for such time to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

33. (1) Subject to the control and supervision of the Directors and the Governor and subject to the provision of the Act, the Managing Director shall have the general conduct and management of the business and affairs of the company and subject to such control and supervision and direction of the Board and/or the Governor, shall have and exercise the following powers, namely :

- a) To manage the affairs of the company and to perform and exercise all the powers, rights and discretion assigned to or vested in him by these presents or by the Articles of Association and which may from time to time assign to or vested in him by the Governor / Directors and / or by the Company in General Meeting.
- b) To enter into and become parties to and to sign and execute all deeds, instruments, contracts, receipts and all other documents or writings on behalf of the Company not required to be executed under its common seal or not otherwise provided for in the Articles of the Company.
- c) To make, sign, draw, accept, endorse, negotiate, sell & transfer on behalf of the Company all cheques, bills of exchange, drafts, hundies, promissory notes, dock warrants, delivery orders, railway receipts, bills of lading and other merchantile documents and other negotiable instruments, securities and debentures.

- d) To become parties to and to present for registration and admit execution of and to do every act, matter or thing necessary or proper to enable registration on behalf of the Company of all deeds and instruments whatsoever.
- e) To institute, defend, prosecute, conduct, refer to arbitration, abandon and compromise, legal or other proceedings, claims and disputes by or against the company or in which the Company may be concerned or interested.
- f) To receive and give effectual receipts and discharges for all moneys, goods, or property payable to or to be received by the Company.
- g) To convene meetings of the Board of Directors, Committees, Sub-Committees of the Directors, if any, and to convene the Annual and Extra - ordinary General Meetings of the shareholders.
- h) To purchase, pay for, acquire, sell, re-sell, repurchase, import, export, all machinery, machines, raw materials and equipments, finished products and all other articles and things necessary or expedient for or in the course of the business of the Company.
- i) To take on lease, hire, rent and movable and immovable properties required for the purpose of business of the Company at such rent, hire charges or consideration and condition as he may think fit.
- j) Subject to the approval of the Directors and within such limits as to price as they may from time to time prescribe to acquire by purchase or otherwise, lands hereditaments, buildings, and immovable property of every description and kind.
- k) To erect, maintain and extend works, factories, factory buildings, warehouse and buildings and works of every description and kind within such limits as to price, if any, which the Board of Directors may from time to time prescribe.
- l) To sell, transfer, and dispose of immovable or movable property of the Company of every description and kind.
- m) To let on hire any movable or immovable properties of the Company at such rent, hire charges, or consideration and for such period and on such terms and conditions as he may think fit.

- n) To raise or borrow (otherwise than debentures) from time to time in the name of the Company or otherwise on behalf of the Company but not exceeding the total amount, if any, which may be specified by the Board of Directors from time to time such sum or sums of money and on such terms as Managing Director may think expedient.
- o) To insure and keep insured the Company's premises, buildings, machinery, plant, materials, equipment and all other properties and assets of the Company movable or immovable and profits of the Company against loss or damage by fire or other risks to such amount and for such period as the Managing Director may deem proper in the interest of the Company.
- p) Within the limits from time to time fixed by the Board of Directors and/or the Governor, to invest and deal with the money of the Company not immediately required upon investment of such nature including Government Securities as is specified by the Board of Directors and or the Governor from time to time and subject as afore said to deposit the same with Banks, Shroffs or persons and from time to time to realise and vary investments.
- q) To operate upon and open accounts, currents, cash, credit, overdraft, fixed or otherwise with any Banks or Bankers, merchant, or merchants, or with any Company, firm or firms, individual or individuals and to pay moneys into and to draw moneys from any such account or accounts from time to time as the Managing Director may think fit.
- r) To attend and vote at all meetings in all bankruptcy, insolvency or liquidation or other proceedings in which the Company may be interested or concerned.
- s) To appoint, employ, remove, dismiss, discharge, suspend re-appoint, or re-employ or replace for the management of the business and affairs of the Company, Officers, Sales Managers, Branch Managers, Secretaries, Clerks, Servants, Workmen and other employees, Bankers, Solicitors, Advocates, Accountants, Architects, Valuers, Engineers, Mechanics, Muccadams, and other experts of the Company and with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise.
- t) To delegate to any person all or any of the powers, authorities and discretion for the time being vested in

him other than those delegated to him under sub-article 2(c) of Article 33 of these presents and to revoke or withdraw all or any powers so delegated by him. And also from time to time to provide for the appointment of any attorney or attorneys or other persons for the management and transaction of the affairs of the Company and confer on such person such powers as he may think fit and from time to time remove and to appoint another or others in place of any person or persons so removed.

- u) And generally to make all such arrangements and do all such acts, deeds, matters and things on behalf of the Company as may be usual, necessary or expedient in the conduct or management of the business and as are not by the Memorandum and Articles expressly forbidden to be done by the Managing Director or as are not required to be done by the Company in General meeting or by the Board or Directors.

2) The Managing Director, however, shall not exercise the powers to :-

- a) make calls on shareholders in respect of money unpaid on shares of the Company ;
- b) issue debentures ;
- c) Invest the funds of the Company or make loans or borrow moneys, except as may be delegated by the Board under section 292 of the Act.

**Powers
of the
Governor**

(*) 33A. The Governor shall have powers to exercise the following directive control in connection with or relating to :-

- a) programmes of capital expenditure exceeding Rs. 5 lakhs ;
- b) Appointments to posts carrying maximum pay of Rs. 2,250/- or more ;
- c) Sale, lease or disposal of the whole or substantially whole of the undertakings ;
- d) Formation of the subsidiary Corporation and winding up of the Corporation ;
- e) Appointment of Financial Adviser ;
- and
- f) The issue of directives or instructions as may be considered necessary in regard to the finance, conduct of Business Affairs of the Companies or Directors thereof :

34. No Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract by reason only of such Director holding such office or of the fiduciary relation thereby established but the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract is determined or of his interest then existing or in any other case at the first meeting of the Directors after the acquisition of the interest.

35. The Governor may appoint a Secretary on such terms and conditions as may be stipulated in the order of appointment.

Secretary

36. Notwithstanding anything contained in any of these articles the Governor may from time to time subject to the provisions of the Act, issue such directives as he may consider necessary in regard to the conduct of the business of the Company or Directors thereof and in like manner may vary or annul any such directives. The Directors shall give immediate effect to those directives so issued.

**Rights
of the
Governor**

37. No member shall be entitled to inspect the Company books without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of trade secret or secrecy process or trade mystery which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will not be expedient in the interest of the members of the Company to communicate to the public, except to the extent to which the act may confer on any person any right of inspection.

<i>Sl. No.</i>	<i>Name of subscribers</i>	<i>Address, descriptions and occupations of the subscribers</i>	<i>Witness with address, description & occupation</i>
1.	G. Mathias, Secretary to Government of Mysore, Finance Department, for and on behalf of the Governor of Mysore.	Son of Martin Mathias, 8/1, Commissariat Road, Civil Station, Bangalore - 1.	R.P. Shivanna, Deputy Director of Industries and Commerce, son of Late R. P. Mallappa, 90, Kumara Park West Extension, 1st Block, Bangalore - 20.
2.	M. Rahamuthulla	Secretary to Government of Mysore, Commerce and Industries Department, son of Mohamed Abdulla Sherieff, 4-A, Residency Road, Bangalore.	Do

Dated at Bangalore the 9th Day of March 1964.

Corrected up to December 1996.

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