

**HANDICRAFTS DEVELOPMENT
CORPORATION OF KERALA LTD**

(A GOVERNMENT OF KERALA UNDERTAKING)

**MEMORANDUM AND ARTICLES OF
ASSOCIATION**

2017

**MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
HANDICRAFTS DEVELOPMENT CORPORATION OF KERALA LTD**



Public
Company under Sec. 43A (1) / 43A (1A) /
43A (1B) with effect from 1-7-83.
The word 'private' in the name of the
company stands deleted.

K. Ravindranathan Nair
Registrar of Companies, Kerala

Form I. R.

CERTIFICATE OF INCORPORATION

No. 2200 of 19 68

I hereby certify that HANDICRAFTS DEVELOPMENT
CORPORATION OF KERALA LIMITED
4-25/2/70

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)
and that the Company is Limited.

Given under my hand at Ernakulam
this 16th (sixteenth) day of November
One thousand nine hundred and Sixty Eight

K. Ravindranathan Nair
16/11/68
(K. Ravindranathan Nair)
Registrar of Companies.
Kerala State

MEMORANDUM OF ASSOCIATION

MEMORANDUM OF ASSOCIATION

OF HANDICRAFTS DEVELOPMENT CORPORATION OF KERALA LTD

- I. Name of the Company is “ HANDICRAFTS DEVELOPMENT CORPORATION OF KERALA LTD”.
- II. The Registered Office of the Corporation will be situated in the State of Kerala.
- III. (a) The main objects for which the Company is incorporated will be:
 - (1) To develop and promote Handicrafts within the State of Kerala.
 - (2) 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 in the State of Kerala.
 - (3) To promote, establish and operate sales offices such as Emporia, Show Rooms, Publicity Offices, Stalls and Centres with the object of improving the marketability of Kerala handicrafts anywhere within and outside India.
- (b) To object incidental or ancillary to the attainment of the above main object will be:
 - (1) To undertake the development and marketing of Kerala Handicrafts products within and outside the State and the supply of raw materials controlled commodities 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 from Kerala 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 centres, showrooms, sales depots and warehouses at suitable places in foreign countries, exchange delegation of foreign buyers and domestic exporters, to participate in foreign fairs and exhibitions and to undertake special promotional measures in countries whose import potential for Kerala Handicrafts has not been adequately tapped;

(3) To acquire and take over from the Government of Kerala, the goodwill and business in Handicrafts emporia and/or other handicrafts units run by the Government of Kerala and all or any of the assets of such business on such dates and such terms and conditions specified under agreements, deeds, instruments, and assurances as may be necessary or as may be deemed advisable or proper;

(4) To enter into contracts with and take up indents from Government of India and the State Governments 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 of officer thereof, having the necessary power for manufacture and supply of goods, materials, articles and equipment of every description and to arrange for the performance of such contracts and indents by sub contracting them to or placing orders in respect thereof with manufacturers for the manufacture or supply of such goods, materials, articles or equipment or parts thereof or servicing or processing in connection therewith, or such materials, services as may be necessary for the due performance of such contracts and indents and to have the goods, materials, articles and equipment manufactured, fabricated, assembled and supplied.

(5) To implement any scheme which the Government of India or the Government of Kerala may formulate for the development of the Handicrafts industry.

(6) To aid, advise, assist, finance and protect the interests of Handicrafts Industries in Kerala and to provide them with capital credit, means, resources and technical and managerial assistance for the execution of their work and business to enable them to develop and improve their methods of manufacture, management, marketing and technique of production.

(7) To introduce schemes of standardisation and quality control according to specifications fixed by the Indian Standards Institution the All India Handicrafts Board, and the Government of Kerala whenever possible and to make available technical and other assistance to handicrafts units and to establish a system of inspection;

(8) To undertake market survey, market research within the state and important markets in other states in India and to collect and compile statistics, to give publicity of the information and to contact foreign buyers for the export of handicrafts products.

(9) To prepare and publish price lists, catalogues, folders, pamphlets, brochures and such other publicity materials for promotion of sales within the State and outside.

(10) 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.

(11) To guarantee loans to Co-operatives, manufacturers, dealers or exporters of Handicrafts industries products to enable them to step up production and execution against specific orders contracted or subcontracted through the Corporation or directly and for other promotional measures

(12) To effect Co-ordination 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.

(13). To effect Co-ordination between the Corporation and the National small Industries Corporation, the Handicrafts and Handlooms Export Corporation of India Ltd. and the show room of the All India Handloom Board and the All India Handicrafts Board to help promotion of sales and exports of the products of the aforesaid industry and the expansion of the business of the company.

(14) To take up supply of machinery, tools and equipments on hire purchase system to the Handicrafts industries in Kerala.

(15) 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.

(16) To carry on any 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 aforesaid corporation.

(17) To apply for and take out, purchase or otherwise require any trade mark, patents, patent rights, inventions, copy-right or designs which may be useful for the Corporation's object.

(18) To receive grants, loans advances or other moneys on deposit from the Central Government or State Government, Banks, Companies, Co-operative Societies, Trusts, or individuals 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;

(19) To lend or 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 stock, bonds, deposits 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 howsoever, and collaterally or further to secure any securities of the company by a trust deed or other assurance.

(20) To establish agencies in India and elsewhere and to regulate and discontinue the same.

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

(22) To invest the capital of the Corporation in or to deal with Shares, Stocks, Bonds, Debentures, Obligations and other securities of any Company or association formed for establishing, executing of working any production unit approved by the Corporation.

(23) 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 Advisors.

(24) To enter in to any partnership or arrangements for joint working in business, sharing of profits, pooling of any production unit joint ventures or reciprocal concession with any other company carrying on or engaged in any manufacture or business within the objects of this corporation or similar thereto;

- (25) 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 deems fit to accept;
- (26) To obtain any order enabling the Corporation to carry 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.
- (27) To pay all costs, charges and expenses incurred or sustained 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;
- (28) To construct, maintain and alter any buildings or works necessary or convenient for the purpose of the Corporation.
- (29) To make, draw, accept, endorse, discount, execute, issue and negotiate cheques, bills of exchange, promissory notes, debentures and negotiable or transferable instruments.
- (30) 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.
- III (c) Other objects:-
- To organise, take up or introduce schemes for imparting training in Handicrafts, to sponsor candidates for such training wherever available.
- IV The liability of the members is limited.

V “The capital of the company is Rs.3,00,00,000 divided into 3,00,000 shares of Rs.100/- each with power to issue any of the shares in the capital, original or increased, with or subject to any preferential, special or qualified rights or conditions, as regards dividends, repayments of capital, voting or otherwise”.

We, the several persons, whose names and addresses are subscribed 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.

Names, addresses, Description and Occupation of subscribers	Signature	No. of shares taken by each subscriber	Signature of witnesses and their address description & occupation
Sarala Gopalan Deputy Secretary to Government Industries Department Secretariat, Trivandrum For and on behalf of the Governor, Kerala state. (Government Servant)	sd/-	1	
K.R. Damodaran Pillai Superintendent Secretariat, Trivandrum (Government Servant)	sd/-	1	sd/- G. Rajasekharan Nair, Assistant Industries Department Secretariat, Trivandrum
P. Sambasivan Achari Assistant Secretariat, Trivandrum (Government Servant)	sd/-	1	
Total Shares taken		3	

Date the 15th day of November 1968

ARTICLES OF ASSOCIATION

AS AMENDED ON 06.04.2017

ARTICLES OF ASSOCIATION

OF HANDICRAFTS DEVELOPMENT CORPORATION OF KERALA 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 private 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 mentioned in these Articles, subject to the modifications herein contained".
2. "The Governor " means the Governor of Kerala
3. The company shall be a private limited company having share capital and accordingly:
 - (a) The right of transfer of share of the company is hereby restricted in the manner provided herein;
 - (b) The number of members shall not exceeds fifty not including-
 - (i) Persons who are in the employment of the company;
 - (ii) Persons who having been formerly in the employment of the company were members of the company while in that employment and have continued to be members after the employment ceased;
 - (c) No invitation shall be issued to the public to subscribe any shares in or debentures of the company.
 - (d) Prohibits any invitation or acceptance of deposits from persons other than its members,directors or their relatives.
4. "The Authorized share capital of the Company shall be Rs.3,00,00,000 divided into 3,00,000 equity shares of Rs.100/- each".
5. Subject to the prior approval of the Governor, the company shall have the power to increase or reduce the share capital in accordance with the provisions of the Act.
6. Subject to the provisions of the Act, the Board of Directors subject to the approval of the Governor shall have the power to issue the shares of the company upon such terms and conditions and with such rights and priorities and privileges as to payment of allotment money, calls etc. as the Board may determine.
7. The Board may at its discretion refuse to register any transfer of shares for reasons deemed fit and proper.

BORROWING POWERS

8. *Power to borrow:* Subject to the approval of the Governor the Board may, from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the company, subject to the provisions of the Act.
9. *Conditions on which money may be borrowed:* The Directors may, subject to the approval of the approval of the Governor secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or any mortgage charge or other 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.
10. *Securities may be assignable free from equities:* Debentures, debenture stock, bonds or other securities, may be made assignable free from any equities between the Company and the person to whom the same may be issued.
11. *Issue at discount, etc. or with special privileges:* subject to the provisions of section 117 of the Act and the approval of the Governor, any debenture, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privilege as to redemption, surrender, drawings and allotment of shares.
12. *Quorum:* Two members present in person of whom one shall be representative of the Governor shall be a quorum for a general meeting.

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 him at all or any meeting of the company and the persons so authorised shall be entitled to exercise the same powers on their behalf as if they are individual share holders of the company personally present.

DIRECTORS

13. The number of Directors shall not be less than two and shall not be more than eleven. However, the Directors representing financing institutions, when appointed will be in addition to the above.
The first Directors and all subsequent Directors shall be appointed either by the Governor or in the manner decided by him. Subject to the provisions of the Act, the Directors shall hold office during the pleasure of the Governor.

14. The Directors are not required to hold any qualification shares.
15. Quorum of a Board Meeting shall be subject to the provisions of the Companies Act 1956; provided that such quorum shall not be deemed to be complete unless atleast one official representing the administrative development or the finance department of the Government of Kerala, who is a Director for the time being is present.

The decisions taken at any Board meeting shall be on the basis of decision by majority. For purpose of majority each Director including the Chairman shall have one vote. In case of equality of votes the Chairman shall have an additional or casting vote.

REMUNERATION OF DIRECTORS

16. Subject to the provisions of the Act,
- (a) The remuneration of the Directors shall from time to time be determined by the Governor, such reasonable additional remuneration as may be fixed by the Governor, may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.
- (b) In addition to remuneration, if any, payable to the Directors under class(a) above, the Directors, may also be paid travelling allowance for attending meetings of the Board or of any Committee thereof or in connection with the business of the Company, rates to be prescribed by the Company in general meeting.

MANAGING DIRECTOR

17. *Appointment of Managing Director.* Subject to the provisions of the Act, the Governor may appoint, on such terms and at such remuneration as he may think fit, one of the Directors to be the managing Director who shall be a whole time employee of the Company for the conduct and management of the business of the company subject to the control and supervision of the Directors. The Governor shall have the power of termination and reappointment of Managing Director (s) in accordance with the provisions of the Act.

The following matters shall require the prior approval of the Governor.

- (i) Any programme of capital expenditure for an amount which exceeds Rs.10 Lakhs in cases which do not form part of the sanctioned estimates.

- (ii) Appointment to posts carrying a maximum pay of Rs.10000 (Rupees ten thousand) or more per month.
- (iii) Sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking of the company.
- (iv) Division of capital into different class of shares.
- (v) Formation of subsidiary company.
- (vi) Winding up of the company.
- (vii) Sub-division and consolidation of shares.
- (viii) Allocation of profits and declaration of dividend.
- (ix) Any other matter which in the opinion of the Chairman be of such importance as to be reserved for the approval to Government.
- (x) Foreign tour of officials of the Corporation including members of the Board of Directors such as Chairman, Managing Director and other Directors on business matters or for study purposes lasting more than four weeks or involving more than one person or involving an expenditure of more than Rs.10000/-

THE SEAL

18. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board and in the presence of at least one Director or of such other person as the Governor or Board may appoint for the purpose and any such Director or other authorised person as aforesaid shall sign every instrument to which the seal of the company is so affixed in his presence.

19. The company shall be a Government company within the meaning of section 617 of the Act and the provision of the Act in so far as they are applicable to a Government company, shall be applicable to this company.

20. Notwithstanding anything contained in any of these articles the Governor may from to time subject to the provisions of the Act, issue such directives or instructions as he may think fit in regard to the finances and the conduct of the business and affairs of the company and in like manner may vary or annual any such directives. The Directors shall give immediate effect to such directive or instructions.

21. The principles of reservation as applicable to Government appointments should be followed in the matter of all appointments.

22. The company shall submit a copy of the Balance sheet and profit & Loss Account with a copy of the Auditors Report to the Finance Secretary to Government of Kerala who shall have the right to comment upon or supplement the auditor's report in such a manner as he may deem fit. Any such comment upon or supplement to the Auditors 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. The Governor may call for such returns,accounts and other information with respect to the property and activities of the company as may be required from time to time.

Names,addresses, Description and Occupation of subscribers	Signature	No.of shares taken by each subscriber	Signature of witnesses and their address description & occupation
Sarala Gopalan Deputy Secretary too Government Industries Department Secretariat,Trivandrum For and on behalf of the Governor,Kerala state. (Government Servant)	sd/-	1	
K.R.Damodaran Pillai Superintendent Secretariat,Trivandrum (Government Servant)	sd/-	1	sd/- G.Rajasekharan Nair Assistant, Industries Department Secretariat, Trivandrum
P.Sambasivan Achari Assistant Secretariat,Trivandrum (Government Servant)	sd/-	1	
Total Shares taken		3	

Date the 15th day of November 1968