

Edd (1915) Department.

Mis SERIES.

G.O. No. *85/Edd*

DATED *6-8-15*

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[Despatch Abstract.]

South Indian Match Factory: —
Informing the Managing Director of
the South Indian Match Factory that
the Govt are unable to assist the
factory in the manner requested
Gyphum

The South Indian Match Factory, Ltd.

Registered Office—11, MOUNT ROAD,

Madras, S. C., 16th April 1915.

The Secretary to

The Government of Madras,
Department of Industries,
MADRAS.



Dear Sir,

I have pleasure in enclosing herein a copy of the prospectus and a copy of the Memorandum & Articles of Association of THE SOUTH INDIAN MATCH FACTORY LTD., a company formed for the purpose of manufacturing Safety Matches. The Travancore Government have granted valuable concessions to the Company for the supply of timber for the manufacture of matches and other concessions all of which have been embodied in the form of an agreement between the Company and the Travancore Government copy of which I enclose herein. The Company have placed the contract with Messrs. Harrison & Crossfield, Engineers & Contractors, Quilon, for the erection of the building at Tenmalai. The Company had arranged to import machinery for the factory from Germany; but, as on account of the war that became impossible, I have now received quotations and estimates for a complete plant from Sweden and have obtained the necessary information for placing the order for machinery. The Directors beg to approach the Government for helping them in starting the industry and bringing it to a satisfactory working basis. It is unnecessary to dilate about the importance of the industry and as stated above, we have secured facilities for the supply of raw-materials &c., necessary for the

The South Indian Match Factory, Ltd.

Registered Office—11, MOUNT ROAD,

Madras, S. C., 16th April 195.

for the manufacture and the Company have secured the best available expert opinion and deputed their Managing Director to visit all the Match Factories of Northern India and, feel confident that the industry could be started and worked successfully.

The timbers available in the Travancore forests are acknowledged by Mr. Troup, The Government of India Forest Economist, who was deputed to study Match Industry and who has written a large book on the subject. These samples as also many others were again sent to Dharwar to a Match Factory and actually tested and found to be suitable; further, Mr. A. Rossner, expert deputed by A. Roller of Berlin visited the site where the Factory is proposed to be situated and also inspected the woods and sample matches and boxes made out of them and has expressed his opinion that both the site and the timbers are eminently suitable and the concessions secured by the Company from the Travancore Durbar are very favourable and valuable, and that the concern could be started and worked very profitably.

Under the circumstances, the Directors beg to request the Government will be kind enough to render them assistance in starting and working the concern. The Directors beg to request that the Government be pleased to direct the Director of Industries in rendering the Company all assistance required in erecting the machinery and working it in the preliminary stages and to lend the Company the services of a Match Expert in the initial stages till the local men are able to grasp the working and the



The Secretary to
The Government of Madras,
Department of Industries,
Madras.

I have pleasure in enclosing herewith a copy of the memorandum of association of THE SOUTH INDIAN MATCH FACTORY LTD., a company formed for the purpose of manufacturing match factories. The Travancore Government have granted valuable concessions to the Company for the supply of timber for the manufacture of matches and other concessions all of which have been embodied in the form of an agreement between the Company and the Travancore Government, copies of which I enclose herewith. The Company have placed the contract with Messrs. Harrison, Crossfield, Hughes & Co., Contractors, Madras, for the erection of the building at Chinnai. The Company had arranged to import machinery for the factory from Germany, but as on account of the war that became impossible, I have now received quotations and estimates for a complete plant from London and have obtained the necessary information for placing the order for machinery. The Directors beg to request the Government for helping them in starting the industry and bringing it to a satisfactory working basis. It is unnecessary to dilate about the importance of the industry and as stated above, we have secured facilities for the supply of raw-materials etc., necessary for the

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The South Indian Match Factory, Ltd.

Registered Office—11, MOUNT ROAD,

Madras, S. E. 16th April 1915.

and the whole Factory gets into proper working order.

I beg to remain,

Dear Sir,

Your most obedient servant.

P. Deshpande

Managing Director

The South Indian Match Factory, Limited.



The South Indian Match Factory, Ltd.

(Incorporated under the Indian Companies Act VI of 1882.)

Authorised Capital Rs. 2,00,000.

Divided into 8,000 Shares of Rs. 25 each.

Payable Rs. 5 with application, Rs. 10, on allotment, and the balance in two calls of Rs. 5 each at an interval of not less than one month.

DIRECTORS:

DEWAN BAHADUR K. KRISHNASWAMY ROW GARU, C.I.E., **Chairman**,
Retired Dewan of Travancore.

HON'BLE P. THYAGARAYA CHETTIAR AVL., B.A., RAO BAHADUR,
Merchant.

HON'BLE T. V. SESHAGIRI IYER AVL., B.A., B.L.,
High Court Vakil.

C. RAMANJAM CHETTIAR, AVL.,
Messrs. King & Co., Madras.

V. DESIKACHARIAR AVL., B.A., B.L., **Managing Director**,
Messrs. Ally Brothers, Madras.

BANKERS:

THE MADRAS CENTRAL URBAN BANK, LD.

REGISTERED OFFICE:

No. 11, MOUNT ROAD, MADRAS.

PROSPECTUS.

The Company has been formed for the manufacture and sale of safety matches. A site in the Travancore State about 2½ miles from the Tenmalai Railway Station on the Tinnevely—Quilon line has been selected. The site has been selected on account of its vicinity to the forests from where the woods will have to be brought to the Factory and its situation on the Bank of a river with suitable ground for Factory buildings, residences, lines, etc. A large number of specimen of woods available in the forests in the vicinity of the site have been tested and found suitable for splints and boxes.

The value of matches imported into the Madras Presidency is over 11 lakhs of Rupees a year and so there is a ready market. As the Company has been favoured by the Travancore Government with the following concessions they feel confident the undertaking could be worked successfully. The Travancore Government have been pleased to grant—

- (1) Land that may be required for the building of Factory, residences, out-houses, cooly lines, etc., up to a maximum of 50 acres free of any price, or tax for a period of 20 years, with the option of purchase.
- (2) To supply all the timber necessary for the above buildings at cost price, *i.e.*, actual felling and transport charges from the forest to the site.
- (3) To supply the wood necessary for the manufacture of splints, boxes and packing cases for a period of 12 years at an average rate of 4½ as. per c.ft. which represents actual felling and transport charges for the first three years and a profit of 3 pies to the Government per c.ft. for the remaining 9 years.
- (4) To supply fuel that may be required for the factory, etc., for 12 years at Rs. 4 per ton which represents actual charges for the first 3 years, and 4 as. profit per ton to Government for the remaining 9 years.
- (5) Not to impose any duty on the export of matches.
- (6) To grant supply bills from their treasury at Punalur to Bank of Madras at Madras and *vice versa*.

The estimate for a Factory with an output of 750 gross of 60/5 sticks per day of 10 hours will be as follows:—

Cost of complete machinery with boiler, engine, etc.	...	Rs. 80,000
Cost of buildings, residences, out-houses, cooly lines, etc.	...	" 45,000
Working capital	...	" 40,000
		<u>1,65,000</u>
Cost of manufacturing 750 gross per day—		
Cost of materials, wood, chemicals, etc., about	...	" 82,900
Wages, salaries, etc.	...	" 16,000
General expenses, repairs to buildings and machinery and unforeseen expense and damages	...	" 10,500
		<u>1,18,400</u>
Depreciation on machinery at 10 %	...	" 8,000
" buildings at 4 %	...	" 1,800
		<u>Rs. 1,28,200</u>
The selling price of safety matches is 11½ as. per gross, and the outturn for a year of 300 working days at 750 gross per day, about	...	Rs. 1,65,200
Nett profit	...	Rs. 37,000

To avoid the risk of underestimating the capital and working expenditure have been liberally calculated for the latest improved machinery and working, and it is expected it will be possible to effect reductions in both in actual working. On the lowest calculations, a dividend of 12 per cent. may safely be expected.

Applications for shares should be made on the form enclosed herewith with a remittance of Rs. 5 per share to the Directors.

No. _____

The South Indian Match Factory, Limited.

FORM OF APPLICATION FOR SHARES.

To

THE DIRECTORS OF

THE SOUTH INDIAN MATCH FACTORY, LIMITED.

GENTLEMEN,

I herein enclose Rs. _____ being a deposit of Rs. 5 per share on application for _____ shares of Rs. 25 each in the above Company and request that you will allot to me that number of shares and I hereby agree to accept the same or any less number that may be allotted to me upon the terms of the Prospectus of the Company and the Memorandum and Articles of Association and I undertake to pay the amount due on the allotment and the balance as provided by the said prospectus and authorise you to register me as the holder of the shares.

Name (in full) _____

Address _____

Description _____

1912.

Signature _____

ARTICLES OF AGREEMENT entered into this day of one thousand nine hundred and twelve between the SOUTH INDIAN MATCH FACTORY LTD., a Company incorporated under the Indian Companies Act VI of 1882 and having its Registered Office at No. 11, Mount Road, Madras, (hereinafter referred to as "The Company") of the one part and DEWAN RAHADUR P RAJAGOPALACHARI ESQ., M.A., B.L., C.I.E., Dewan of Travancore acting for and on behalf of the Government of His Highness The Maharaja of Travancore (hereinafter referred to as "the Government") of the other part:- Whereas under date the 20th day of August 1912 a Memorial was presented to the Government by the Directors of the Company for certain concessions such as would enable the Company to start and work up a MATCH FACTORY in the State of Travancore And whereas after full consideration of the concessions sought to be obtained by the Company Government was pleased to agree to the terms and to grant the concessions specified in the Government proceedings No. 10508/L.R. & F. dated the 2nd day of October 1912 And Whereas on further and subsequent representations made to the Government on behalf of the Company on or before the Second of December 1912 Government was also pleased to alter, modify and supplement some of the terms and concessions specified in the said immediately hereinbefore recited Government Proceedings And Whereas demand was made of the Company by the Government to enter into a formal agreement with Government specifying the terms, covenants, conditions and provisions subject to which the industry was to be started and worked up by the Company which demand was assented to by the Company It is hereby mutually agreed to that the Company shall have the rights, liberties and privileges and be also subject to the liabilities herein recited and hereinafter appearing.

1. That the Government doth hereby agree to grant to the Company an area of (25) Twenty Five British Statute Acres of land at such spot in the Yerur Reserve as may hereafter be mutually agreed to by the Company and the Government for the erection of their Factory, Cooly-lines, out-houses for the storage of raw material, fuel and other requisite goods and things and buildings for residential and other purposes as may be required by the Company.

2. That the Government doth hereby agree to deliver possession of the land specified in clause (1) One hereof as and when the same is required by the Company for the purpose of starting their building and

SECTION OF AGRI. LAND entered into this day of
 one
 between the undersigned and twelve persons in the SOUTH INDIAN RAILWAY
 FACTORY LTD., a company incorporated under the Indian Companies
 Act VI of 1902 and having its registered office at No. 11, Mount Road,
 Madras. (hereinafter referred to as "the Company") of the one part and
 DEWAN RAJAHUR P. RAJAGOPALAKRISHNAN IYER, M.A., B.L., C.I.E., D.A., of the
 Travancore section for and on behalf of the Government of His Highness
 The Maharaja of Travancore (hereinafter referred to as "the Government")
 of the other part:— Whereas under date the 20th day of August 1912 a
 Memorial was presented to the Government by the Directors of the
 Company for certain concessional lands such as would enable the Company to
 and work up a RAILWAY FACTORY in the State of Travancore and whereas after
 full consideration of the concessional lands sought to be obtained by the
 Company Government was pleased to agree to the terms and to grant the
 concessional lands specified in the Government Proclamation No. 10208 of 1912
 dated the 2nd day of October 1912 and whereas on further and subsequent
 representations made to the Government on behalf of the Company on or
 before the 20th of December 1912 Government was also pleased to allow
 modify and supplement some of the terms and concessional lands specified
 in the said immediately heretofore recited Government Proclamation and
 whereas demand was made of the Company by the Government to enter into a
 formal agreement with Government specifying the terms, conditions,
 conditions and provisions subject to which the industry was to be started
 and worked up by the Company which demand was assented to by the
 Company as it is hereby mutually agreed to that the Company shall have the
 rights, liberties and privileges and be also subject to the liabilities
 herein recited and hereinafter appearing.

1. That the Government doth hereby agree to grant to the Company
 area of (22) Twenty Two British Statute Acres of land at such specified
 the Town of Kottayam as may hereafter be mutually agreed to by the Company
 and the Government for the erection of their Factory, Coal-tines,
 and houses for the storage of raw material, fuel and other materials
 to be and things and buildings for residential and other purposes as may
 be required by the Company.

2. That the Government doth hereby agree to deliver possession of
 the land specified in clause (1) On or before as and when the same is
 required by the Company for the purpose of starting their building and

and other operations on the said land within three years from the
 date of these presents.

3. That should at any time after the date of these presents it is
 found necessary that more land is required by the Company for the
 purposes of the Company the Government doeth hereby covenant and
 agree to grant also such additional land in the vicinity as may be
 required provided that Government land is available for the purpose and
 also provided that in no event Government shall be under liability to
 grant land in all exceeding (50) Fifty British Statute Acres in area
 inclusive of the first grant.

4. That the Government doeth hereby agree to grant to the Company
 the land hereby agreed to be granted free of payment of Vilayartham or
 price thereof and also free of any assessment or tax for a period of (20)
 Twenty years calculated as and from the date on which possession of such
 lands is delivered to the Company.

5. That should at any time after the date of these presents the Company
 desire to acquire full right of ownership over the whole or any portion
 of the lands that may under the provisions in that behalf contained in
 these presents be granted to the Company the Government doeth hereby agree
 to grant such full ownership to the Company subject to payment of acreage
 value at the Rate of British Rupees (50) per acre and also subject to
 payment of assessment or tax at the rate of British Rupees (2) Two per
 acre per annum and from the date of grant of such full ownership provided
 that the said assessment or tax shall be liable to revision at the periodical
 Revenue Settlement of other lands in the State.

6. That the Government doeth hereby agree to supply the Company with
 such quantity of timber as may be bona fide required by the Company for
 the buildings specified in clause (1) One hereof and which they may cause
 to be erected on the lands granted to the Company under or by virtue of
 these presents and deliver the same to the Company at the site of their
 works provided that Government shall on no account be under liability to
 supply teak timber and provided also that Government shall be under
 obligation to supply only jungle wood timber and provided further that the
 supply and delivery need be made only on payment to Government by the
 Company of the actual felling charges of the requisite quantity of timber
 and the transport charges thereof for delivery at the site of the works of
 the Company.

7. That the Government doeth hereby agree to supply and deliver to the Company at the Company's Factory soft wood of such species which are at present recognized or which may hereafter be tested and found as suitable for the purpose of manufacturing splints, match boxes, and packing cases and of such quantity as may be indented for by the Company for a period of (12) Twelve years from the due date of first supply indented for by the Company at the Maximum rate of (360000) Three hundred and sixty thousand cubic feet of wood for the first (3) Three years, (10,00000) One million eighty thousand cubic feet for the next five years and (864000) Eight hundred and sixty four thousand cubic feet for the remaining four years exclusive of the bark the delivery being evenly spread over each month of the year during the said (12) Twelve years Provided that the Company shall be under obligation to accept delivery of the wood required for the months of March, April and May in each year between the 15th day of January and the 15th day of February of each year immediately preceding and provided that the Company shall be under liability to accept only sound and suitable wood which are (28) Twenty eight inches or multiples of (28) twenty eight inches in length and of a girth of not less than (3) three feet and not more than (9) Nine feet.

8. That should at any time the Company be desirous of arranging for its own supply of soft wood referred to in clause (7) Seven hereof the Government doeth hereby agree to permit them to do so by felling and removing such wood from the nearest vicinity of their Factory provided that the Company shall be exempt from payment of any charges to Government in respect of the quantity required of wood required during the first (3) Three years from the commencement of their works and referred to in clause (7) hereof and that thereafter the Company shall be under the liability to pay to Government seigniorage at the rate of (3) three pias per cubic foot of soft wood removed from the Government Forests and provided also that in the event of the Company preferring to work down the soft wood needed by their own agency such agency shall be under liability to carry on work under the general control of the Forest Department of the Government and on lines laid down by the Department so as to obviate all possible risk of injury to the Forests.

9. That the Government doeth hereby agree to supply and deliver to the Company stacked at their premises for a period of (12) Twelve years from the due date of the first supply indented for by the Company

10. That should at any time after the date of these presents if it be found necessary that more land is required by the Company for the purposes of the Company the Government doeth hereby consent and agree to grant such additional land in the vicinity as may be required provided that Government land is available for the purpose and also provided that in no event Government shall be under liability to grant land in excess of (50) Fifty British statute acres exclusive of the first grant.

11. That the Government doeth hereby agree to grant to the Company the land hereby agreed to be granted free of payment of Wasteland or ridge thereof and also free of any assessment or tax for a period of (50) Twenty years calculated as and from the date on which possession of such lands is delivered to the Company.

12. That should at any time after the date of these presents the Company desire to acquire full right of ownership over the whole or any portion of the lands that may under the provisions in that behalf contained in these presents be granted to the Company the Government doeth hereby agree to grant such full ownership to the Company subject to payment of a sum value at the rate of British Rupees (50) per acre and also subject to payment of assessment or tax at the rate of British Rupees (5) per acre and from the date of grant of such full ownership provided that the said assessment or tax shall be liable to revision at the periodical Revenue Settlements of other lands in the State.

13. That the Government doeth hereby agree to give to the Company with such quantity of timber as may be hereafter required by the Company for the buildings specified in clause (1) One hereof and which they may cause to be erected on the lands granted to the Company under or by virtue of these presents and deliver the same to the Company at the site of their works provided that Government shall on no account be under liability to supply such timber and provided also that Government shall be under obligation to supply and deliver the same only on payment to Government by the Company of the actual felling charges of the regular quantity of timber and the transport charges thereof for delivery at the site of the works.

by the Company such quantity of timber as may be required for fuel for use in the Factory and for the domestic consumption of the Company's Employees, Agents, work-men and servants residing at or near the Company's premises.

10. That should at any time the Company be desirous of arranging for its own supply of fuel referred to in clause (9) Nine hereof the Government doeth hereby agree to permit them to do so by felling and removing the requisite quantity of timber required for fuel from the nearest vicinity of their Factory provided that the Company shall be exempt from payment of any charges to Government in respect of the quantity of timber felled and removed from the Government Forests for fuel purposes during the first (3) Three years from the commencement of their working and that thereafter the Company shall be under liability to pay to the Government seigniorage at the rate of annas (4) Four per ton of (80) Eighty cubic feet of timber so felled and removed and provided also that in the event of the Company arranging for its own supply of the quantity of timber required for fuel purposes by their own agency such agency shall be under liability to carry on work under the General Control of the Forest Department of the Government and on lines laid down by that Department so as to obviate all possible risk of injury to the Forests.

11. That the Government doeth hereby agree to allow the right of free user by the Company of the water of the Kulathurpuzha River for their purposes and requirements except that of generating motive power and the free user of the said river bed for the purposes of keeping under water storage the timber that maybe required by them to be so kept.

12. That the Government doeth hereby covenant and agree with the Company not to impose any duty whatsoever on the matches that may be manufactured, sold or exported by the Company.

13. That the Government doeth also hereby covenant and agree with the Company to arrange for the grant of supply bills free of any charge whatsoever at the Treasury of Government at Poonaloor on the Bank of Madras, Madras and vice versa in respect of bona fide remittances of sums of money by the Company in connection with its work.

14. That the Company doeth hereby covenant and agree with the Government that so long as they have not acquired full right of ownership as recited in clause (5) Five hereof over the lands that may be granted to them by Government under or by virtue of these presents the Company shall not alienate or cause to be alienated the whole or any portion or portions

14. That the Company doth hereby covenant and agree with the Government that so long as they have not acquired full right of ownership as recited in clause (5) Five hereof over the lands that may be granted to them by Government under or by virtue of these presents the Company shall not alienate or cause to be alienated the whole or any portion or portions of such lands.

15. That the Company doth hereby covenant and agree with the Government to pay to the Government for the soft wood that may be supplied to the Company by the Government as recited in clause (7) Seven hereof at the rate of (3) Three Annas and (6) Six Pies per cubic foot of wood supplied during the first (3) Three years, thereafter for the next (5) Five years at the rate of (4) Four Annas and (6) Six Pies per cubic foot of wood supplied and for the remaining (4) Four years at the rate of (5) Five Annas per cubic foot of wood supplied.

16. That the Company doth hereby covenant and agree with the Government to pay to the Government for the fuel timber that may be supplied to the Company by the Government as recited in clause (9) Nine hereof during the first three (3) years at the rate of Three British Rupees (8) Eight Annas per ton of (80) Eighty cubic feet of timber supplied, thereafter for the next five years (5) at the rate of Four (4) British Rupees per ton of timber supplied and for the remaining four (4) years at the rate of (4) Four British Rupees and (8) Eight Annas per ton of timber supplied.

IN WITNESS WHEREOF the parties to these presents have executed the same the day and year first above mentioned.

SIGNED SEALED and DELIVERED by the above named THE SOUTH INDIAN MATCH FACTORY LIMITED by their duly constituted attorney V. Desikachary Esq. B.A. B.L., acting under a DEED POLL or POWER OF ATTORNEY dated the day of One Thousand Nine hundred and twelve in the presence of

SIGNED SEALED and DELIVERED by the said DEWAN BAHADUR P. RAJAGOPALACHARI ESQ., M.A. B.L., C.I.E., Dewan of Travancore, acting for and on behalf of the Government OF HIS HIGHNESS THE MAHARAJA OF TRAVANCORE in the presence of

11. That the Government doth hereby agree to allow the right of free use by the Company of the water of the Malabar River for their purpose and requirements except that of generating motive power and the use of the said river for the purpose of fishing under water. That the Government doth hereby covenant and agree with the Company not to impose any duty whatsoever on the matches that may be manufactured, sold or exported by the Company.

12. That the Government doth also hereby covenant and agree with the Company to make for the grant of supply bills free of any charge whatsoever at the Treasury of Government at Poonoor on the Bank of Malabar and also to vary in respect of the remittance of bills of exchange by the Company in connection with the work.

13. That the Company doth hereby covenant and agree with the Government that so long as they have not acquired full right of ownership as recited in clause (5) Five hereof over the lands that may be granted to them by Government under or by virtue of these presents the Company shall not alienate or cause to be alienated the whole or any portion or portions of such lands.



MEMORANDUM OF ASSOCIATION
OF THE
South Indian Match Factory
(LIMITED)
WITH
ARTICLES OF ASSOCIATION
ANNEXED

Madras: The Guardian Press, Mount Road

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15. That the Company do hereby govern and agree with the Government to pay to the Government for the said wood that may be supplied to the Company by the Government as recited in clause (7) 2-1/2 paise per cubic foot of (3) Three Annas and (6) Six Paise per cubic foot of wood supplied during the first (3) Three years, thereafter for the next (2) Five years at the rate of (4) Four Annas and (6) Six Paise per cubic foot of wood supplied and for the remaining (4) Four years at the rate of (5) Five Annas per cubic foot of wood supplied.

16. That the Company do hereby govern and agree with the Government to pay to the Government for the said timber that may be supplied to the Company by the Government as recited in clause (8) Nineteen paise during the first three (3) years at the rate of Three British Annas and (6) Six Paise per cubic foot of (80) Eighty cubic feet of timber supplied, thereafter for the next five years (5) at the rate of Four (4) British Annas per cubic foot of timber supplied and for the remaining four (4) years at the rate of (4) Four British Annas and (8) Eight Annas per cubic foot of timber supplied.

IN WITNESS WHEREOF the parties to these presents have executed the same this day and year first above mentioned.

SIGNED SEALED and DELIVERED by the above named THE SOUTH INDIAN MATCH FACTORY LIMITED by their duly constituted attorney V. Desikachari, Esq. B.A., B.L., acting under a DEED POLL or POWER OF ATTORNEY dated the day of One Thousand Nine hundred and twelve in the presence of

SIGNED SEALED and DELIVERED by the said DEWAN BAHADUR P. BALOGHAI CHARI, Esq., M.A., B.L., C.I.E., Dewan of Travancore, acting for and on behalf of the Government of HIS HIGHNESS THE MAHARAJA OF TRAVANCORE in the presence of

CERTIFICATE OF INCORPORATION

No. 8 of 1912-1913

I hereby certify, pursuant to Act VI of 1882 of the Governor-General of India in Council entitled "The Indian Companies Act, 1882" that "The South Indian Match Factory, Limited" is incorporated as a Company under the aforesaid Act and that the said Company is limited.



(Sd.) V. SUBBA RAO,
Registrar of Joint Stock Companies.

STATION : MADRAS

Date, 26th Aug. 1912.

MEMORANDUM OF ASSOCIATION

OF

The South Indian Match Factory, Limited.

I.—The name of the Company is "THE SOUTH INDIAN MATCH FACTORY, LIMITED".

II.—The registered office of the Company shall be in MADRAS.

III.—The objects for which the Company is established are the acquisition of gain by the Company, and from time to time in order thereto :—

- (a) To establish a Match Factory at one or more suitable places in Southern India.
- (b) To acquire land by purchase or lease, to erect buildings and possess property for the purpose of carrying on the said business.
- (c) To apply for purchase or otherwise acquire patents, licenses or any secret or any other information as to any invention 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 or grant license in respect thereof or otherwise turn to account the property, rights or information so acquired.
- (d) To promote any Company or Companies for the purpose of acquiring all or any of the property and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

ARTICLES OF AGREEMENT
OF
The South Indian Match
Factory, Limited.

IT IS AGREED AS FOLLOWS:—

1. The regulations contained in table A in the first Schedule to "The Indian Companies' Act, 1882," shall not apply to the Company. Table A not to apply.

2. 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 power of the Company, in reference to the repeal or alteration of, or addition to, its regulations by special resolution, as prescribed by the said Act, be such as are contained in these articles. Company to be governed by these articles.

I.—INTERPRETATION.

In the interpretation of these articles, the following words and expressions shall have the following meanings unless repugnant to the subject or context. Interpretation clause.

"The Company" means, "The South Indian Match Factory, Limited" established under the Memorandum of Association to which these articles are annexed. Company.

"The said Act" means "The Indian Companies' Act, 1882." "The said Act."

"These presents" means and includes these Articles of Association and the regulations of the Company from time to time in force. "These presents."

"Special resolution" means a special resolution of the Company passed in accordance with section 77 of the Indian Companies' Act, 1882, or other the legislative provisions for the time being in force in this behalf. "Special resolution."

"Capital" means the Capital for the time being raised, or authorised to be raised, for the purposes of the Company. "Capital"

"Shares" means the shares into which the Capital is divided, and the interest corresponding with such shares. "Shares."

"Shareholders" or "Members" means the duly registered holders from time to time of the shares of the Company. "Shareholder or Members."

"Register of Members."

The "Register of Members" means the Register of shareholders of Members, to be kept pursuant to the "Indian Companies' Act, 1882", or other the Act or Acts in force in this behalf.

"Directors."

"Directors" means the Directors for the time being of the Company, or, as the case may be, the Directors assembled at a Board.

"Board."

"Board" means a meeting of the Directors duly called and constituted, or, as the case may be, the Directors assembled at a Board.

"Auditors & Secretaries, Managers & Agents."

"Auditors" and "Managing Director" means those respective officers for the time being of the Company.

"Ordinary General meeting."

"Ordinary General Meeting" means an Ordinary General Meeting of the Shareholders of the Company duly called and constituted and any adjourned holding thereof.

"Extraordinary General meeting."

"Extraordinary General Meeting" means Extraordinary General Meeting of the Shareholders of the Company duly called and constituted and any adjourned holding thereof.

"Meeting."

"Meeting" means the meeting of the Shareholders or Directors as the case may be.

"Persons."

"Persons" means corporations as well as individuals.

"Office."

"Office" means the registered office of the Company for the time being of the Company.

"Seal."

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

"Year and month."

"Year and month" mean respectively a year and month reckoned according to the British Calendar.

"Singular number."

Words importing the singular number also include the plural number.

"Plural number."

Words importing the plural number also include the singular number.

"Gender."

Words importing the masculine gender also include the feminine gender.

"Companies' Regulations."

"Companies' Regulations" means the regulations for the time being for the management of the Company.

II.—CAPITAL, AND INCREASE OF CAPITAL.

Amount of capital.

3. The capital of the Company shall consist of Rupees 2 lakhs divided into 8000 shares of Rs. 25 each, subject to be increased in accordance with the regulations of the Company and the Legislative provisions for the time being in force in this behalf.

Increase of capital.

4. The Directors may, from time to time, with the sanction of the special resolution of the Company previously given in General Meeting, increase its capital by the issue of new shares of such amount as may be deemed expedient.

The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Directors shall determine.

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transmission, forfeiture, lien and otherwise.

5. Whenever an increase of capital has been sanctioned in manner aforesaid, the Board shall carry the sanctioning resolution into effect in such manner as they deem most expedient, subject, nevertheless, to the legislative provisions for the time being in force in this behalf and these presents, and to the special directions (if any) given in reference thereto by the General Meeting at which such sanctioning resolution may have been passed. How carried into effect.

III.—SHARES.

6. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles ; Acceptance of shares.

and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

7. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to, and recoverable by, the Company from the allottee thereof, and shall be paid by him accordingly. Deposit to be a debt payable immediately.

8. The shares shall be under the control of the Directors ; and they shall have power to allot or otherwise dispose of the same to such persons on such terms and conditions, and at such times and places as they think fit. Shares under control of Directors.

9. The Directors shall be at liberty to refuse to entertain any application for shares without assigning any reason for so doing. Directors may refuse Applications.

10. The joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares. Joint-holders' liability.

11. Every member, his executors, or administrators, shall pay to the Company the proportion of the capital represented by his share or shares which may for the time being remain unpaid. Liability of members.

thereon in such amounts at such time or times, and in such manner, as the Directors shall, from time to time, in accordance with the Company's Regulations, require or fix for the payment thereof.

Certificate.

12. Every allottee of shares shall be entitled to receive gratis a certificate or certificates, under the common seal of the Company, in such form as the Directors shall prescribe or approve, specifying the share or shares allotted to him and the amount paid thereon; and any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share which may be the subject of joint ownership may be delivered to any one of such joint owners on behalf of all of them.

Renewal of certificate.

13. If any such certificate be worn out, damaged, or lost, it may be renewed or replaced on payment of one rupee, provided such evidence as the Board may deem reasonable be afforded of the loss of such certificate, and of the title thereto of the party applying for the renewal, and provided such indemnity be given in respect of the issue of the new certificate and otherwise as the Board may require.

Company's lien on shares.

14. The Company shall have a first and paramount lien upon all the shares of any shareholder for all moneys from time to time due or payable to the Company from him, alone or jointly with any other person; and, where a share is held by more persons than one, the Company shall have a lien thereon in respect of all moneys so due to them from all or any of the holders thereof, and the shares of any member who may be indebted to the Company may, by order of the Directors, be sold to satisfy the Company's lien thereon and transferred into the name of the purchaser without any consent, and notwithstanding any opposition on the part of the indebted member; and a complete title to the shares of any member, alleged by the Directors to be indebted to the Company, which shall be sold and transferred, shall be acquired by the purchaser, by virtue of such sale and transfer, against such indebted member and all persons claiming under him, whether he may be indebted to the Company in point of fact or not.

The first named of joint holders deemed sole holder.

15. If any share stand in the names of two or more persons, the person first named in the Register shall, as regards voting at meetings, receipt of dividends, or bonus, or service of notices, and all or any other matters connected with the Company, except the transfer of the share, be deemed the sole holder thereof.

Company not bound to recognise any interest in share other than that of registered holder, when closed.

16. The Company shall not be bound to recognise any equitable contingent, future, or partial interest in any share, or (except only as is by these presents otherwise expressly provided) any

other right in respect of a share than an absolute right thereto in accordance with these presents, in the person from time to time registered as the holder thereof. Nor shall it be obligatory upon the Directors to allot shares to applicants for shares of whom they may not approve.

17. The Company shall keep a book, to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share. Register of transfers.

18. Shares in the Company shall be transferred by instrument in writing in such form as shall from time to time have been approved by the Directors and until any other form shall have been so approved in the form following or as near thereto as circumstances will admit. Form of transfer.

I of in consideration of
the sum of rupees paid to me by
of do hereby transfer to the said
the share numbered

standing in my name in the books of "The South Indian Match Factory, Limited" to hold unto the said

his executors, administrators, and assigns, subject to the several conditions on which I held the same at the time of the execution hereof; and I, the said do hereby agree to take the said share, subject to the same conditions. As witness our hands the day of

Signed by the said
in the presence of

}

19. The transfer books shall be closed at least seven days immediately preceding the Ordinary General Meeting in each year, and the Directors shall have power to close the transfer books of the Company for such period or periods of time in every year as to them may seem meet, but not exceeding 30 days in the whole year. Transfer book when closed.

20. The Board may, at their own absolute and uncontrolled discretion, decline to register any transfer of shares whilst any shareholder executing the same is, either alone or jointly with any other persons, indebted to the Company on any account whatsoever, or unless the transferee is approved by the Board. The Registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee. Board may refuse to register transfer.

21. Any person becoming interested in a share in consequence of the death, bankruptcy, or insolvency of any shareholder, or the marriage of any female holder, or by any lawful means other than by a transfer in accordance with these presents, may, upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, and approved by the Directors registered as such holder. Registration of persons entitled to share otherwise than by transfer.

Conditions of registration of transfer.

22. Previously to the registration of a transfer, the transferer shall produce for the inspection of the Directors the certificate or certificates of the share or shares to be transferred.

Fee on transfer.

23. There shall be paid to the Company in respect of the transfer of shares the sum of as. 4 per share.

The Company not liable for disregard of a notice prohibiting registration of a transfer.

24. The Company shall incur no liability or responsibility in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to, or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard, attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

Copies of Memorandum and Articles of Association to be furnished by Director.

25. Copies of the Memorandum of Association and of these presents shall be furnished by the Directors to every shareholder at his request in writing, and on payment of the sum of one rupee for each copy.

IV.—CALLS.

Amount with application and on allotment.

26. Rs. 5 shall be paid in respect of each share at the time of application and Rs. 10 at the time of allotment and the balance of Rs. 10 may, at the discretion of the Board of Directors, be called in two calls of Rs. 5 each with an interval of not less than one month between the two calls.

Call when made.

27. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed: and such resolution shall be published in any one of the Local Daily Newspapers.

Extension of time for payment of call

28. The Directors, from time to time, at their discretion, may extend the time fixed for the payment of any call or balance to all or any of the shareholders whom from residence at a distance or from other cause, the Directors may deem fairly entitled to such extension. But no shareholder shall be entitled to any such extension except as a matter of grace and favour.

29. If any shareholder fail to pay any call or balance due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall pay interest for the same at the rate of the 9 per cent. per annum, or such other rates of interest as may be fixed by the Board, from the day appointed for the payment thereof to the time of actual payment.

30. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

31. The Board may, if they think fit, receive, from any of the shareholders willing to advance the same, all or any part of the amounts of their respective shares beyond the sum actually called up; and upon the moneys so paid in advance, or upon so much thereof from time to time and at any time thereafter, as exceeds the amount of the calls then made up on and due in respect of the shares on account of which such advances are made, the Board shall pay or allow interest, at such rate as the shareholders paying the sum in advance and the Board agree upon; provided that such rate shall not exceed 9 per cent. per annum.

V.—FORFEITURE OF SHARES.

32. If any shareholder fail to pay any money due from him in respect of any share, either by way of principal or of interest, on the appointed day, or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as such money remains unpaid, give notice to him or his legal personal representatives, or, if none, then by way of, advertisement requiring payment of the money payable in respect of such share.

33. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which the money is to be paid; and the notice shall also state that, in the event of the non-payment of such money at the time and place appointed, the shares in respect of which the same is owing will be liable to be forfeited.

34. If the requisitions of any such notice shall not be complied with, every or any shares in respect of which the notice is given may be declared forfeited by a resolution of the Board to that effect.

35. When any share is so declared to be forfeited, notice of the forfeiture shall be given to the holder of the share, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of the Members.

Forfeited shares to be property of Company, and may be sold, &c.
 36. Every share which shall be declared forfeited shall thereupon be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Share-holder still liable to pay money owing at time of forfeiture.
 37. Any shareholder whose share may be forfeited shall, notwithstanding the forfeiture, be liable to pay the Company all money owing upon the shares at the time of forfeiture, and the interest (if any) thereon.

Effect of forfeiture.
 38. The forfeiture of a share shall involve the extinction, at the time of the forfeiture, of all interest in all claims and demands against the Company in respect of the share, and all other rights incident to the share, except only such of those rights as by these presents are expressly saved.

Certificate of forfeiture.
 39. A certificate in writing under the hands of two Directors that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be sufficient evidence of the facts stated therein as against all persons entitled to such share and such declaration, and the receipt of the Company for the price of such share shall constitute a good title to such share; and a certificate of proprietorship shall be delivered to the purchaser, and thereupon he shall be deemed the holder of such share, discharged from all calls due prior to such purchase, and he shall not be bound to see to the application of the purchase-money nor shall his title to the share be affected by any irregularity in the proceedings in reference to such forfeiture or sale.

Director may accept surrender & forfeiture of share.
 40. The Directors may at any time accept the surrender of any share from or by any shareholder desirous of surrendering, on such terms as the Directors may think fit.

Forfeiture may be remitted: arrears recoverables notwithstanding forfeiture.
 41. In the meantime, and until any share so forfeited shall be sold, reallotted, or otherwise dealt with, as aforesaid, the forfeiture may, at the discretion and by a resolution of the Directors, be remitted, as a matter of grace and favour, and not as of right, on payment to the Company of the money which was owing thereon to the Company at the time of forfeiture thereof being declared, with interest for the same up to the time of the actual payment thereof, if the Directors shall think fit to receive the same or on any other terms which the Directors may deem reasonable; but notwithstanding such forfeiture, and any subsequent dealing by or on behalf of the Company with the shares which may be the subject thereof, the money which was so owing shall continue to be payable by the person who was liable to pay the same at the time of forfeiture, or his representatives,

and may be recovered from him or them by the Company accordingly by action, suit, or otherwise, without entitling such person or his representatives to any remission of such forfeiture, or compensation for the same, unless the Directors shall think fit to make compensation which they shall have full power to do in such manner and on such terms, on behalf of the Company, as they shall think fit.

VI.—MEETINGS OF SHAREHOLDERS.

42. The first Ordinary General Meeting shall be held at such time within six months from the registration of the Company and at such place as the Board may determine. First Ordinary General Meeting.

43. Subsequent Ordinary General Meetings shall be held once at least in every year and oftener whenever the Directors shall pass a resolution to that effect, at such time and place in Madras as the Directors shall from time to time determine. Subsequent Ordinary General Meetings.

44. The Directors may, whenever they think fit, call an Extraordinary General Meeting, and they shall do so, upon a requisition in writing by five or more shareholders qualified to vote and holding in the aggregate not less than one-third of the shares in the Company and having been such holders during not less than three months. Extraordinary General meetings.

45. Any requisition so made by shareholders shall express the object of the meeting proposed to be called, and shall be left at the Registered Office of the Company. Requisition of shareholders to state object of meeting.

46. Upon the receipt of any such requisition, the Directors shall forthwith convene an Extraordinary General Meeting; and if they neglect to do so within one month from the date of the delivery of such requisition at the office of the Company, the requisitionists, or any other shareholders qualified as aforesaid and holding the required number of shares, may themselves convene an Extraordinary General Meeting for the purpose so specified, but not for any other purpose. On receipt of requisition Directors to call meeting and, in default, shareholders, may do so.

47. Seven days' notice at least of every General Meeting, Ordinary or Extraordinary, and by whomsoever convened, specifying the day, place, and hour of meeting, and the objects and business of the meeting, shall, in the discretion of the Directors or other persons convening such meeting, be given either by advertisement, or by notice sent by post or otherwise to the registered address of every shareholder whose registered address is in the Presidency of Madras, or if the Directors or other conveners think fit, both by advertisement and by notice as aforesaid; and no business other than such as is specified in such notice shall be transacted thereat. Seven day's notice of meeting to be given.

48. Every such notice shall be signed by the Managing Director of the Company or by such other officer as the By whom to be signed.

Directors may appoint, except in case of a meeting convened by shareholders in accordance with these presents, in which case the notice may be signed by the shareholders convening the same, or by any five or more of them.

49. The omission to give any such notice to any of the shareholders, if the meeting has been previously advertised, shall not invalidate any resolution passed at any such meeting.

Business requiring, and not requiring, notification.

50. Every Ordinary General Meeting shall be competent, without special notice having been given of the purposes for which it is convened, or of the business to be transacted thereat, to receive and discuss any report and any accounts presented thereto by the Directors, and to pass resolutions in approval or disapproval thereof, and to declare dividends, and to elect Directors and Auditors retiring in rotation, and (save as herein otherwise provided) to fix the remuneration of the Directors and Auditors, and shall also be competent to enter upon, discuss, and transact any business whatever, of which special mention shall have been given in the notice or notices upon which the meeting was convened.

Notice of other business to be given.

51. With the exceptions mentioned in the foregoing Articles as to the business which may be transacted at any Ordinary General Meeting without notice, no General Meeting, Ordinary or Extraordinary, shall be competent to enter upon, discuss, or transact any business which has not been specially mentioned in the notice or notices upon which it was convened.

Quorum to be present.

52. No business shall be transacted at any General Meeting except the declaration of a dividend recommended by a report of the Directors, or the election of a Chairman, unless there shall be present, in person or by proxy, at the commencement of the business five or more shareholders.

If quorum no present meeting to be dissolved or adjourned.

53. If at the expiration of half an hour from the time appointed for the meeting, the required number of shareholders shall not be present, the meeting, if convened by or upon the requisition of shareholders, shall be dissolved, but in any other case it shall stand adjourned to such time on the following day, or on such other day, and to such place as the shareholders present at the expiration of the hour determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place.

Adjourned meeting to transact business.

54. At any adjourned meetings the shareholders present, whatever their number or the amount of the shares held by them, shall have power to decide upon all the matters which could properly have been disposed of at the meeting from which the adjournment took place in case a sufficient number of members had been present thereat.

Chairman or Deputy Chairman of Directors, or a

55. The Chairman (if any) of the Board of Directors shall, if willing, preside as Chairman at every General Meeting, whether

Ordinary or Extraordinary, but if there be no such Chairman, or, Director, to be Chairman of General Meeting, in case of his absence or refusal, some one of the Directors (if any be present) shall be chosen to be Chairman of the meeting.

56. If at any meeting a quorum of shareholders shall be present, and the chair shall not be taken by the Chairman of the Board or by a Director, at the expiration of half an hour from the time appointed for holding the meeting, or if before the expiration of that time all the Directors shall decline to take the chair, the shareholders present shall choose one of their own number to be Chairman of the meeting.

In case of their absence or refusal, a shareholder may act.

57. No business shall be discussed at any General Meeting, except the election of a Chairman, whilst the chair is vacant.

Business confined to election of Chairman while chair vacant.

58. The Chairman, with the consent of the meeting, may adjourn any meeting from time to time and from place to place in Madras; but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place, unless due notice shall be given.

Chairman with consent may adjourn meeting.

59. Every resolution submitted to a meeting shall be decided, in the first instance, by a show of hands; and in the case of an equality of votes, the Chairman shall, both on the show of hands and at a poll (if any), have a casting vote in addition to his own vote.

Motion how decided.

60. A declaration by the Chairman of any meeting that a resolution has been carried thereat upon a show of hands shall be conclusive, and an entry to that effect in the Book of Proceedings of the Company shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution, unless immediately on such declaration a poll shall be demanded in writing by at least five shareholders present, and entitled to vote at such meeting.

Questions at General Meeting? how decided.

61. If a poll be duly demanded, the same shall be taken at such time and place in Madras, and either by open voting or by ballot, as the Chairman shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Poll to be taken if demanded.

VII.—VOTES OF SHAREHOLDERS.

62. No shareholder shall be entitled to vote, speak, or be present at any General Meeting whilst any money due from him, alone or jointly, to the Company in respect of any shares or share of such member remains unpaid.

Members in arrears not to vote.

63. Every Member shall at every meeting at which he is entitled to vote shall have one vote for every five shares up to

Number of votes to which shareholder is entitled.

ten and shall have an additional vote for every ten shares beyond the first ten.

How members
non compos mentis
or minors may vote

64. If any shareholder be a lunatic, idiot, or *non compos mentis*, the vote in respect of his share or shares shall be by his committee or other legal guardian; and if any shareholder be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one.

Votes of joint
owners.

65. If there be joint owners of a share, the member whose name stands first on the register, and no other, shall be entitled to speak and vote in respect of the same share, but the other or others of the joint owners shall be entitled to be present

Voting in person
or by proxy qualifi-
cation of proxy.

66. Votes may be given either personally or by proxy, but every proxy shall be appointed in writing under the hand of the appointer, or under the common seal of any corporation who may be the appointer; and any committee or guardian may appoint such proxy.

Qualification of
proxy.

67. A proxy, attorney or substitute need not be a member at the time of his appointment, but he must be a member and qualified to vote as such at the time of his being present at any meeting, or tendering his vote as proxy, attorney or substitute.

Deposit of instru-
ment of appoint-
ment.

68. No person shall act as proxy unless the instrument of his appointment shall be deposited at the office at least forty-eight hours before the time for holding the meeting at which he proposes to vote.

Proxy note when
valid.

69. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or revocation of the proxy, of the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

Proxy form.

70. The instrument appointing a proxy whether for a specified meeting or otherwise, shall be in the following form:—

"THE SOUTH INDIAN MATCH FACTORY, LIMITED".

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

"As witness my hand this day of signed by the
said in the presence of

VIII.—DIRECTORS.

Number of Direc-
tors.

71. The minimum number of Directors shall be three and the maximum shall be seven.

Qualification of
Directors.

72. The qualification of a Director of the Company shall, at the time of his appointment and thenceforth during his continuance in office, be his holding in his own right at least 20 shares in the Company.

First Directors.

73. The first Directors of the Company shall be Dewan Bahadur K. Krishnaswami Row Avl., C.I.E., Hon'ble P. Theagaraya Chettiar Avl., B.A., Hon'ble T. V. Seshaghiri Iyer Avl., B.A., B.L., C. Ramanujam Chettiar Avl. and V. Desika Chariar Avl., B.A., B.L.

Directors may
appoint new Direc-
tors.

74. The Directors shall have power from time to time, and at any time, to appoint any person to be Director but so that the total number of Directors shall not at any time exceed the maximum number fixed as above.

Sitting fee for
Directors.

75. Each Director attending a meeting of Directors shall receive a sitting fee in respect of each meeting attended by him as shall be settled at the General Meeting.

Appointment of
their successors.

76. The General Meeting at which Directors retire, or ought to retire, by rotation shall appoint successors to them, and in default thereof such successors may be appointed at a subsequent General Meeting.

Board may fill up
vacancies and add
to their number.

77. The Board shall have power at any time, and from time to time, to supply any vacancies in their number arising from death, resignation or otherwise, and also to add to their number, subject to Clause 72 of these presents.

Duration of office
of Directors appoint-
ed to vacancy.

78. Any casual vacancy occurring in the number of Directors subsequent to the first Ordinary General Meeting may be filled up by the Board, subject to the approval of the next Ordinary General Meeting, but any person so chosen shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred.

One to retire an-
nually.

79. At the second Ordinary General Meeting, and at the Ordinary General Meeting in every subsequent year, one of the Directors for the time being shall retire from office by rotation.

Retiring Director
how determined.

80. The Director to retire from office at the second Ordinary General Meeting shall, unless the Directors otherwise arrange among themselves, be determined by ballot; in every subsequent year the Directors to retire shall be those who have been longest in office.

Retiring Directors
eligible for re-election.

81. Retiring Directors shall be eligible for re-election.

Decision of ques-
tions as to retire-
ment.

82. In case any question shall arise as to which shall retire of the Directors who have been the same time in office, the same shall be decided by the Directors by ballot.

If election not
made, meeting to
stand adjourned.

83. If at any meeting, whereat any election of Directors ought to be made, no such election takes place, the meeting shall stand adjourned to the next business day at the same time and

place, and, if at the adjourned meeting no election takes place, the Directors who might have been bound to retire shall continue in office until the next Ordinary Meeting.

84. A Director may at any time give notice in writing of his wish to resign by delivering such notice to the Managing Director or leaving the same at the registered Office of the Company, and on the acceptance of his resignation by the Board, and not before, his office shall be vacant.

85. The Office of Director shall be vacated—
If he becomes bankrupt or insolvent.

If, by reason of mental or bodily infirmity, he becomes incapable of acting.

If he is absent from the Board for more than four consecutive meetings without the consent of the Board.

If, he ceases to hold the required number of shares to qualify him for the office.

If, without the written consent of the Board, he is concerned or participates in the profits of any contract with, or work done for, the Company.

86. The Company may, by a resolution passed at an Extraordinary General Meeting, by a majority of not less than two-thirds of such shareholders for the time being entitled to vote as may be present in person or by proxy, remove any Director before the expiration of the period of office, and appoint a qualified shareholder in his stead, and the Director so appointed shall in all respects stand in the place of his predecessor.

87. The 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 presents by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

IX.—POWERS OF DIRECTORS.

88. The business of the Company shall be managed by the Board (with the assistance of the Managing Director) who in addition to the powers and authorities by the said Act or by these presents expressly conferred upon them, may exercise all such powers, give all such consents, make all such arrangements, and generally do all such acts and things as are or shall be by the Company and are not thereby expressly directed to be exercised, given, made, or done by the Company in General Meeting, but subject, nevertheless, to the provisions of the said Act and of these presents, and subject also to such (if any) regulations as are from time to time prescribed by the Company in

General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if the regulation had not been made.

89. Without prejudice to the general powers conferred by the last preceding clause and of the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers :—

- (1) They may pay the costs, charges and expenses, preliminary and incidental, to the promotion, formation, establishment, and registration of the Company.
- (2) They may raise or borrow from time to time, in the name or otherwise on behalf of the Company, such sums of money as they from time to time think expedient, either by mortgage, bonds, debentures, or promissory notes, or in such other manner as they deem best; and for the purpose of securing the repayment of any money so borrowed, with interest, they may make and carry into effect any arrangement which they deem expedient.
- (3) They may institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also may compound and allow time for payment or satisfaction of any debts due to and of any claims or demands by or against the Company.
- (4) They may refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.
- (5) They may make and give receipts, releases, and other discharges for money payable to the Company, and for the claims and demands of the Company.
- (6) They may act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (7) They may from time to time provide for the management of the affairs of the Company abroad in such manner as they think fit and in particular may appoint any persons to be attorneys or agent of the Company with such powers and upon such terms as may be thought fit.
- (8) They may invest any of the moneys of the Company, not immediately required for the purpose thereof, upon such securities and in such manner as they may think fit, and they may from time to time vary or realise such investments.
- (9) They 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 dividend, and for such other purposes as the Directors shall, in their absolute discretion, think

conducive to the interest of the Company, and they may invest the several sums so set aside upon such investments as they may think fit, and may from time to time deal with and vary such investments and dispose of all or any part thereof in carrying on or increasing the business of the Company or otherwise for the benefit of the Company, and they may divide the reserve fund into such special funds as they may think fit.

- (10) They may, before recommending a dividend, set aside out of the income such sum or sums as they think proper as a depreciation fund, and may deal with such sum or sums as is hereinbefore provided with regard to the reserve fund.
- (11) They may 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.
- (12) The Directors are also expressly authorised to enter into an agreement or agreements with the Managing Director for the management of the Company.

Receipts and
cheques.

90. A receipt or cheque signed by any two Directors, or by any person authorised by a resolution of the Directors to give a receipt, or draw a cheque for any moneys lent or payable or belonging to the Company, shall be an effectual discharge on behalf of and against the Company for the moneys, funds, or property which in such receipts or cheques shall be acknowledged to be received, or drawn, and the person paying any such money shall not be bound to see to the application, or be answerable for any misapplication thereof.

Managing Director.

91. The said V. Desikachariar shall be the Managing Director of the Company and shall have issued to him credited as fully paid up 200 shares and so long he remains the registered holder of those 200 shares at least in the Company he shall continue to hold that office for a period of 10 years and shall not be subject to retirement nor shall he be taken into account in determining the rotation of retirement of Directors.

Right to engage
or dismiss servants.

92. The Managing Director shall have the right to engage or dismiss servants, workmen and clerks of the Company.

Remuneration of
Managing Director.

93. The Managing Director shall be allowed a salary of Rs. 350 per month and one-eighth of the net profits after deducting all expenses, depreciation fund &c., for managing the affairs of the Company; the above may be increased when the business of the Company is enlarged as may be decided by a General Meeting.

94. The Managing Director shall be liable to be dismissed from his office as such by a special resolution passed at a General Meeting of the shareholders of the Company, and that only on any or all of the following grounds:—

- (a) Embezzlement or misappropriation of the Company's money.
- (b) Fraud on his part in conducting the affairs of the Company.
- (c) Any material error, dishonestly and intentionally made in the account books of the Company; and
- (d) Doing any other thing causing considerable loss to the Company.

X.—PROCEEDINGS OF DIRECTORS.

95. The Directors may meet for despatch of business, adjourn and otherwise regulate their meetings as they may think fit and may determine the quorum necessary for the transaction of business as they from time to time shall think expedient.

96. The Board shall elect one of their body to be Chairman of their meetings, who shall be styled Chairman of the Directors, and who shall continue to be Chairman until the Directors elect another Chairman in his place, and all meetings of the Directors shall be presided over by the Chairman if present; but if there be a vacancy in the office of Chairman, or if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, then and in that case the Directors shall choose one of their own body then present to preside at the meeting.

97. Any question which shall arise at any meeting of the Directors shall be decided by a majority of votes, and, in case of an equality of votes, the Chairman thereof shall have a casting vote in addition to his own vote as a Director.

98. The Board may delegate any of their powers to Committees consisting of such members of their body as the Board think fit, and they may from time to time revoke and discharge any such Committee, either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in exercise of the powers delegated to it, conform to all such regulations as may be prescribed by the Board; all acts done by any such Committee in conformity with such regulations, and in fulfilment of the purposes of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.

99. The acts of the Board, and of any Committees appointed by the Board, shall, notwithstanding any vacancy in the Board or Committee, or any defect in the appointment of any Director or of any member of the Committee, be as valid as if no such vacancy or defect had existed, and as if every such person had been duly appointed, provided the same be done before the discovery of the defect.

Regulation of
proceedings of Com-
mittees.

100. The meetings and proceedings of such Committees shall be governed by the provisions herein contained for regulating the meetings and proceedings of Directors, so far as the same are applicable thereto and be not superseded by the express terms of the appointment of such Committees respectively, or any regulations imposed by the Board.

Minutes of proceed-
ings of the Com-
pany and the Direc-
tors to be recorded.

101. The Board shall cause minutes to be made in books to be provided for the purpose, of the following matters, namely:—

- I. Of all appointments of Officers and Committees made by the Directors.
- II. Of all the names of the Directors present at each meeting of the Directors, and of the members of the Committees appointed by the Board present at each meeting of the Committee.
- III. Of the proceedings of all General Meetings.
- IV. Of resolutions and proceedings of all meetings of the Directors and of Committees appointed by the Board.

Signatures of
minutes of proceed-
ings and the effect
thereof.

102. All such minutes shall be signed by the person, or one of the persons, who shall have presided as Chairman at the General Meeting, the Board Meeting, or Committee Meeting, at which the business minuted shall have been transacted, or by the person or one of the persons who shall preside as Chairman at the next ensuing General Meeting, or Board Meeting, or Committee Meeting respectively; and all minutes purporting to have been signed by any Chairman of any General Meeting, Board Meeting, or Committee Meeting respectively shall, for all purposes whatever, be *prima facie* evidence of the actual and regular passing of the resolutions, and the actual and regular transaction or occurrence of the proceedings and other matters purporting to be so recorded, and of the regularity of the meeting at which the same shall appear to have taken place, and of the Chairmanship and signature of the person appearing to have signed as Chairman.

When the busi-
ness of the Com-
pany shall com-
mence.

103. The Directors shall be at liberty to carry on the business of the Company so soon as they shall think fit, notwithstanding that the whole capital may not have been subscribed for or taken.

The seal, its cus-
tody and use.

104. The Board shall have power to provide a common seal for the purpose of the Company and from time to time to destroy the same and substitute a new seal in lieu thereof, and shall provide for the safe custody of the seal for the time being, under such regulations as the Board may prescribe, and it shall not be used except by the authority of a Board and in the presence of at least two Directors.

Deeds how exe-
cuted.

105. Every deed or other instrument to which the seal is required to be affixed may be signed by two Directors only.

Quorum.

106. Any three Directors shall form a quorum. If the Managing Director who is the Ex-officio Director, be present at the meeting, he may be counted as one of the three required for the quorum.

XI.—ACCOUNTS.

107. The Managing Director shall cause true accounts in English to be kept of the paid-up capital for the time being of the Company, and of all sums of money received or expended by the Company, and of the matter in respect of which such receipt or expenditure takes place, and of the credits and liabilities of the Company, and generally of its commercial and other affairs, transactions and engagements, and of all other matters necessary for showing the true financial state and condition of the Company; and the books of account shall be kept in such place or places of security as the Directors may think proper and direct.

Preliminary ex-
penses account.

108. All costs, charges, and expenses incurred or sustained in or about the establishment of the Company, both prior and subsequent to the registration thereof, including therein the costs of advertising, printing, stationery, brokerage, Solicitors' expenses, furniture, and fittings of offices, and any other costs, charges, or expenses which the Board consider may be fairly deemed and treated as preliminary, shall be paid by the Company.

Statement of Ac-
counts and Report
to be furnished to
General Meeting.

109. Once at least in every year the Directors shall lay before the Company in General Meeting a statement of accounts of the Company made up to a date not more than three months before the meeting from the time up to which the last preceding statement was made, or, in case of the first statement, from the commencement of the Company; and every such statement shall be accompanied by a report of the Directors as to the state and condition of the Company, and as to the amount (if any) which they have paid, or recommended to be paid out of the profits by way of dividend or bonus to the shareholders, and the amount (if any) which they recommend to be retained for the formation of a Reserve Fund.

110. A balance-sheet shall be made out every year and laid before the Ordinary General Meeting of the Company, such balance-sheet shall contain a faithful summary of the property, stock-in-trade, securities, and liabilities of the Company, arranged under suitable heads.

Balance-sheet shall
be made out every 6
months.

111. All monies received shall be lodged with the Company's Bankers in the name of the Company and the account shall be operated upon by cheques signed by the Managing Director and countersigned by any one of the Directors for the time being.

Monies to be bank-
ed.

XII.—AUDIT.

112. The accounts of the Company shall from time to time be examined, and the correctness of the balance-sheet ascertained by one or more Auditor or Auditors.

Accounts to be
audited.

113. No person shall be eligible as an Auditor who is interested otherwise than as a shareholder in any transaction of the Company, but it shall not be a necessary qualification for an Auditor that he may be a member of the Company; and no Director or

Qualification of
Auditors.

officer of the Company shall, during his continuance in office be eligible as an Auditor.

114. The Directors shall appoint the first Auditor or Auditors of the Company and fix his or their remuneration ; and all future Auditors, except as is hereinafter mentioned, shall be appointed at the Ordinary General Meeting of the Company in each year by the shareholders present thereat, and shall hold their office only until the first Ordinary General Meeting in the year after their respective appointment, or until otherwise ordered by a General Meeting.

115. Retiring Auditors shall be eligible for re-election.

116. The remuneration of the Auditor or Auditors other than the first shall be fixed by the Company in General Meeting ; and this remuneration may be from time to time varied by General Meetings.

117. If any vacancy that may occur in the office of Auditor shall not be supplied at any Ordinary General Meeting, or, if any casual vacancy shall occur, the Directors shall (subject to the approval of the next Ordinary General Meeting) fill up the vacancy by the appointment of a person who shall hold the office until such meeting.

118. Every Auditor shall be supplied with a copy of the balance-sheet intended to be laid before the next Ordinary General Meeting, and it shall be his duty to examine the same with the accounts and vouchers relating thereto, and to report thereon to the meeting generally or specially, as he may think fit.

119. All accounts and documents whatsoever of the Company shall at all times be open to the Auditors for the purpose of audit.

120. Every account of the Directors when audited and approved by a General Meeting shall be conclusive, except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.

XIII.—DIVIDENDS, BONUS AND RESERVE FUND.

121. The Directors may, with the sanction of the Company in General Meeting, from time to time, declare a dividend or bonus to be paid to the shareholders in proportion to their shares and the amount paid up thereon ; but no dividend or bonus shall be payable except out of net profits.

122. Previously to the Directors recommending any dividend or bonus, they may set aside out of the profits of the Company such a sum as they think proper as a Reserve Fund, and shall invest the same in such Government securities or funds, or in such other securities, as they think fit.

123. The Directors may from time to time apply such portion as they think fit of the Reserve Fund to meet contingencies or for equalizing dividends, or for repairing or maintaining the buildings and premises connected with the business of the Company, or any

part thereof, or for any other purposes of the Company which they from time to time deem expedient.

124. No unpaid interest or dividend shall ever bear interest ^{No interest on interest or dividend.} against the Company.

125. No member shall be entitled to receive payment of any dividend or bonus in respect of his share or shares while any money may be due or owing by him to the Company in respect of such share or shares or otherwise howsoever. ^{No member to receive dividend while debt due to Company in respect of his shares.}

126. The Directors may deduct from the dividend or bonus payable to any shareholder all sums of money due from him to the Company. ^{Directors may deduct debt due from the Dividend or Bonus.}

127. Notice of all interest or dividends to become payable shall be given to each shareholder entitled thereto, and all interest or dividends unclaimed for three years after notice thereof is given may be forfeited by the Directors for the benefit of the Company, and, if the Directors think fit, may be applied in augmentation of the Reserve Fund. ^{Notice of dividend. Forfeiture of unclaimed dividend.}

128. Every dividend or bonus payable in respect of any share held by several persons jointly may be paid to, and an effectual receipt given by, any one of such persons. ^{Joint-holders.}

129. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend. ^{Dividends.}

XIV.—NOTICES.

130. All notices or other documents requiring to be served by the Company upon the shareholders may, as to those members resident in the Presidency of Madras, be served either personally, or by leaving the same for, or sending them through the post in a letter addressed to, each or any shareholder at his registered place of abode ; and every notice sent through the post shall be deemed to have been served at the time at which in the usual course of post it would have been delivered. ^{Service of notices.}

131. It shall be imperative on every member not resident in the Presidency of Madras to have at all times an agent so resident, and to notify to the Company such agent and his abode, and such agent shall be lawfully authorised to receive on behalf of the member all notices which the shareholder may be entitled to receive under these Articles or otherwise, and the Company shall not be bound to give any notice whatever to any member not resident as aforesaid otherwise than by giving the same to an agent so resident and authorised and notified (if any). ^{Non-resident shareholders must have Agents at Madras.}

132. Any member who shall not have such agent so resident, authorised and notified, and who but for this provision would be entitled to receive any notice from the Company, shall not be entitled to notice, and may be treated and dealt with as having had notice, or as having agreed to dispense with notice, anything herein contained to the contrary in any respect notwithstanding. ^{Are not entitled to notice.}

133. All notices to be given on the part of shareholders shall be left at the Registered Office of the Company, or sent through the post.

Advertisements. 134. All notices required to be, or which may be, given by advertisement shall be advertised at least in one daily English newspaper circulating in Madras, and such notices shall be deemed sufficiently given if so advertised.

155. Every person who, by operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice or other document which, previous to his name and address being entered upon the Register in respect of the share, is given to the person from whom he derives his title, and who is registered.

136. When any notice or document is delivered or sent, in accordance with these presents, at or to the registered place of abode of a shareholder, or to his agent as above provided, then, notwithstanding he be then deceased, and whether or not the Company have notice of his decease, such service of the notice or other document shall for all purposes of these presents be deemed service thereof on his heirs, executors, administrators, and every of them.

137. A notice given to any one or more joint owners of any share which may be the subject of joint ownership shall be a sufficient notice to all joint owners of such share.

XV.—EVIDENCE.

138. On the trial or hearing of any action or suit to be brought by the Company against any shareholder or his representatives, to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose, on the Register of the shareholders of the Company as a holder of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

XVI,—MISCELLANEOUS.

139. Proxies shall not be allowed, except in the case of corporate bodies, and females to any members residing within the Municipal limits of the City of Madras.

End! No. 334-130
22.4.15

Referred to the Director
of Industries for remark

sk
20.4.15

ca
22.4.15

M. W.
22.4.15

by 22/4

7
20

The D. S. is
with current
in original
to be returned.

Noted in CB

23.4.15

Enc
22/4

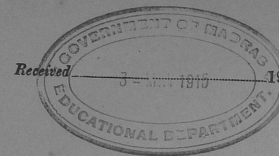
Enclosures despatched
Separately

CA. Rau

26.4.15

DEPARTMENT.

Ed. No. 1568
28



Registered 3/57 1915

Subject.

SUBMITTING REMARKS ON THE WORKING OF THE PROPOSED MATCH FACTORY.

ENCLOSURES.
No. <u>one</u>
Spare copies

No. 84

Station MADRAS, Dated the APRIL 30th, 1915.

From (Name) K.T.B. TRESSLER, ESQ.,

(Designation) AG. DIRECTOR OF INDUSTRIES,

To The SECRETARY TO THE GOVERNMENT OF MADRAS,
EDUCATIONAL DEPARTMENT.

Sir,

I have the honor to acknowledge receipt of the endorsement No. 1384-1 Ed. dated 23-4-1915 regarding the South Indian Match Factory and to return herewith the enclosures.

2. The Managing Director has been to see me once or twice and I certainly think that the industry could be considerably assisted if Government undertook to start it: at the same time, certain very definite conditions will have to be laid down.

3. The suggestion I have made to the Managing Director is that they should, if they so desire, purchase the plant. We could undertake to erect it but I think this is unnecessary as Harrison & Crossfield, Quilon, who are erecting

the buildings, should be competent to put up the machinery also. It is in the working that various difficulties are likely to be encountered and it is in this connection that I think government assistance is most required.

4. Private companies are usually in much too great a hurry to get on to the market. They get an expert to put their plant in working order. In the hands of the expert the plant works satisfactorily but as things go smoothly, nobody takes the trouble to find out what the possible sources of trouble are and so as soon as the expert goes, difficulties begin. My policy therefore is in the first instance to find out things for myself by experiment.

5. It not infrequently happens that the management of enterprises of this kind is entrusted to lay men who have only the haziest notion of what manufacture really means and the business is usually run by a Maistry. Herein lies another fruitful source of trouble.

6. I do not say that in this particular case the conditions I have mentioned do occur but I am not prepared to take any risks and the only terms on which I would undertake to have anything to do with the factory are that after erection the plant is to be handed over to me unreservedly for a period of at least one year for experimental purposes.

7. During this period I would suggest that Government should bear the whole of the experimental expenses which should not exceed Rs.10,000. Then I should send down one of my Supervisors to take charge of the mechanical side of the work. I should also appoint a chemist to look after the chemical portion of the work, in connexion with which I should further ask for the assistance of the Professor of Chemistry of the Presidency College. Returns would be sent to the Bureau and from

these returns an idea of works costs will be obtained. This is the works management or business side that I should look after. When my engineer had made all the mistakes that he could make in running the plant, I should then apply for the services of a Match Making Expert if necessary for a period of 3 months. By this time we should have found out exactly what we wanted to know and would be in a position to make use of the superior knowledge of the expert instead of merely leaving everything to him.

8. During the experimental period the shareholders will not receive any dividend on their capital but they will not incur any expenditure either. All expenses would be borne by Government and receipts (if any) appropriated by them. If at the end of the period I was satisfied that the commercial data obtained were satisfactory, I would be prepared to hand over the industry to the company or else to run the company for one year on the distinct understanding however that there should be no interference of any kind with my management. At the end of this further period the Match Company could either take over or else I would be prepared to leave them my trained staff, again provided that my system is adhered to absolutely.

9. To summarise therefore, assistance in the purchase and erection of the plant does not seem to me very necessary: if the company wish to have it, we could render such assistance on the ordinary departmental terms, namely 2½% on the estimated cost of plant. Advice regarding purchase, which costs us nothing, we can give for nothing. What the company do require is assistance in the inception of the undertaking and if Government are prepared to sanction the expenditure of Rs.10,000 and possibly Rs.5000 for the services of an expert, I could undertake to conduct preliminary experi-

para 6 of order on page 9
eff. 12.2.10
14.7.12

ments, train a nucleus staff, and get the thing into running order: at the same time, I would not be prepared to stake the reputation of this department unless I am given one year in which to do experiments and an absolutely free hand to do what I like.

Further I would not be prepared to hand over my trained staff to the company unless my system of management is rigidly adhered to (modifications introduced only with my consent) for a period of at least 3 years from the time that the company take over from me. My reason for these conditions is that I consider that I can train a staff on my own lines which will be competent to make matches at a profit and the reputation of this department is sufficiently good to enable me to sell these matches to first class dealers. By the time I have finished my experiments, I shall have established a market for the quality of matches that I can turn out. If my system is not absolutely followed, the quality will be inferior and the company will go on selling matches on the strength of the departmental reputation. This is a thing I am not prepared to countenance.

10. There are one or two other points to which I wish to draw attention. Firstly, I have visited the site of the Tenmalai factory. I do not know what considerations prompted the selection of this site. From the manufacturing point of view, it is an extremely bad one. It no doubt possesses advantages so far as supply of raw material is concerned but in my opinion it would be very much better merely to do the wood work at the present site and transfer manufacture to Madura. I have made tentative enquiries of the railway company and they tell me they will allow me half freights on the carriage of the

*Para 91, page 20
of the Memorandum
of Association.*

*He is the
proprietor
of the factory
& that a partnership
lawyer thought
it was profitable
to take over.*

*Please see the Propositor
on page 20 supra which gives
the reasons.*

raw material. I have not worked out these accounts in full but I am not prepared to accept blindly the present selection of the site without knowing exactly the arguments for and against.

11. Another point I observe is that in the Articles of Association, Mr. Desikachari is mentioned by name as the Managing Director for a period of 10 years, he to draw a salary of Rs. 350 a month and an eighth part of the net profits. A personal paragraph of this kind in Articles of Association is I believe unusual and frankly, I do not like the look of it at all. I have met Mr. Desikachari and found him an agreeable gentleman but as a Managing Director he seems to me another ~~un~~ 'unproved proposition and as such I consider the company to be very foolish in committing itself to his employment for a period of 10 years unconditionally. With all due deference to the legal profession, I personally should certainly not put money into a concern managed by a barrister. The point may be a small one but I selected ~~this~~ as a significant manner in which industrial problems are tackled in this country. In any case, I should expect that the Managing Director should not draw any remuneration from the company except with my consent so long as the company is under my management.

I have the honor to be,

Sir,

Your most obedient servant,

K. R. N.
30. 11. 41

Ag. Director of Industries.

[CR 1568]

Memo No. 1568-180⁸
10.5.15

The Director of Industries is requested to report if the South Indian Match Factory will agree to the ~~conditions~~ terms proposed in his letter No. 84, dated the 30th April 1915, in regard to the working of the factory. If the Director ^{does not already possess} ~~has not already received~~ information on the point, he should ascertain the ^{facts} ~~matter~~ from the Managing Director of the Company without thereby committing the Govt in any way.

8K
6.5.15

CA
7.5.15

Elk
8.5.15

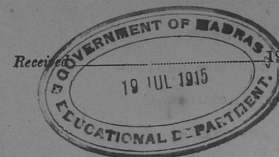
Noted in CB

10/5/15

To

The D.I.

me
10/5 10/5



Registered 197 1915.

Subject.

South Indian Match Factory.

Submitting further report on the -----

ENCLOSURES.

No.

Spare copies.....

No. **E 10**Station Madras, Dated the 17th July, 1915.From (Name) K.T.B. Tressler, Esq.,(Designation) Director of Industries,

To The Secretary to the Government of Madras,

Educational Department.

Sir,

With reference to reminder on O.M.1568 dated 10-5-15, I have the honor to state that, inspite of continuous efforts to get the Managing Director of the South Indian Match Company to make up his mind I was unable to obtain a definite answer from him until 2 days ago.

2. When this gentleman first called upon me he stated that he required my advice and assistance in connection with his enterprise and I accordingly sketched out the scheme explained to Government in my No.84 dated 30th of April.

3. After 3 months of dilatory talk Mr. Desikachari now finds that he does not want my advice and assistance. He is good enough to think that my proposal has a good deal

It necessary to waste time in trying to learn an industry properly. Like every other industrial entrepreneur I have come across in South India he wants to plunge. He thinks that with his own legal experience and the assistance of an expert he can very well ^{start} ~~turn~~ manufacturing at once and all he has asked for now is that Government should lend him an expert and also the services of a departmental supervisor. Under the Articles of Association Mr. Desikachari is the Managing Director for a period of 10 years on a salary of Rs.350 a month and an eighth part of the net profits. The latter emolument may be of a visionary character but the Rs.350 a month is a definite sum and possibly the scheme now proposed by Mr. Desikachari may be influenced by a consideration of this salary.

4. Mr. Desikachari was very anxious to tell Government that ~~under his proposal~~ in his revised scheme I would figure as general adviser. I wish to point out most unequivocally that I have no intention of doing anything of the kind. If Mr. Desikachari wishes to run an industry on his own lines I cannot prevent his doing so but I certainly decline to accept any responsibility whatever in connection with a scheme of this kind. I regard his present scheme as rash and will have nothing to do with it.

5. As regards the lending of an expert and a supervisor I feel that as a matter of policy Government might perhaps assist. If Mr. Desikachari and his friends are about to waste a lakh and a half, Government might waste Rs.5000, as a mark of sympathy with Indian enterprise. We might get some return from this investment as I dare say that the expert would furnish me with a certain number of practical facts and data which might be useful in the future when we ~~fix~~ ^{buy} up Mr. Desikachari's plant at second hand rates and try to turn the thing into a commercial concern.

6. An expert will cost about Rs.600 a month and 6 months' engagement with return fare will cost about Rs.4,600.

22
A Supervisor will cost about Rs.100 a month and the total cost of giving the assistance would be ^{slightly} ~~decidedly~~ over Rs.5,000. The cost of the Supervisor will be included in the ordinary departmental charges but I am unable to meet the cost of the expert in my budget this year.

I have the honor to be,
Sir,
Your most obedient servant,

J. M. S.
my
Director of Industries.

Again G.O., No. , dated 190

Current No. from the , No. , dated 191

Current No. 13871 from the Managing Director No. , dated 16.4.1915.

1568. P. J. Match factory D. J. 84 20.4.15.

SUBJECT.

Govt assistance towards the establishment of a match factory.

pages 7 of c.b.

pages 14 to 18 of c.b.

para 6, page 15 of c.b.

The Managing Director of the South Indian Match Factory Ltd., Madras, requests that the Govt may direct the Director of Industries to render the company all assistance required in erecting the machinery & working it in the preliminary stages & may lend the services of a match-making expert in the initial stages of the business. Mr. Tressler to whom the application was referred for remarks suggests certain conditions to be imposed before the venture is assisted by the Govt. The first of these is that soon after the machinery is purchased & erected, the business should be left in the hands of the Director of Industries for a year when work

page 17 of cf.

ask member
if the Company
will agree to the
terms he proposes.
He should ascertain
that from the
Managing Director
with that Committee
the work in any
way.

page 3 of f. no 3271 (H)
13. 11. 14

the assistance of the a match. making
expert he can will carry on experiment
in the industry. The second is that
even after the business is restored
to the company, the latter must
follow the system of management
advocated by the Director. It is doubtful
whether the company will agree
to these terms. Mr. Treasler states
that the Managing Director has
seen him once or twice, but nothing
is stated as to whether these terms
were offered to him & what his
opinion was with regard to them.
It is for orders whether Mr. Treasler
may be asked for information on this
point or the terms suggested by Mr. Treasler
may be communicated to the Managing
Director with the request to report
whether the Company will accept
them.

2. As regards the employment
of an expert, it is not known whether
there is any ^{expert} available in the Presidency.
In October last, Mr. Treasler stated
that there was an expert available
but that he could not decide whether
or not he was a man fit to be employed.

SK CR
4/5/14

A draft memo is submitted for approval

pk
8.5.15

CA
7.5.15

18th July 1915
7.5.15

(Memorandum No.1568-1 Edl.,d/the 10th May 1915)

C.No.2499 Edl., From the Director of Industries, No.E.10, dated the 17th July 1915.

page 20 of cf.

para 5, page 21 of cf.

Mr. Tressler states that the Managing Director of the Match Factory is not prepared to accept his proposed conditions, and he is not accordingly willing to have anything to do with the undertaking. As regards the specific request for the services of an expert and a supervisor, Mr. Tressler says that if the factory are about to waste a lakh and a half, the Government might waste Rs.5,000 as a matter of policy and as a mark of sympathy with "Indian enterprise." This scarcely amounts to a recommendation, and in effect Mr. Tressler is not, under the circumstances, prepared to comply with the request for assistance.

2. As regards the request itself, it does not appear that this Government's assistance in the form now put forward was counted upon from the beginning. ^(by the Government) The present is the first communication from the Director to the Government, the company

Please see Memorandum
of Association infra.

having been formed so long ago as August 1912.

The present application might have been prompted by the fact that the Department of Industries had been newly formed, its activities having been increased owing to the present crisis, or by some sudden change of circumstances in the affairs of the company brought on by the same cause. In asking for the services of an expert, the company is asking for something which the Government have not got. Like the company, the Government should engage one or train up their own men in future.

Practically the proposal amounts to subsidizing the company in respect of the employment of the expert; and Mr. Tressler estimates that the cost of this ^{Subsidy} ~~proposal~~ for six months will amount to Rs. 5,000.

3. In the case of the glass factory opened in Madras, the Government in G.O. No. 677 Revenue, dated 2nd March 1910, offered to assist the company with free supply of half the wood used in furnaces during the first two years of the working of the factory, subject to a maximum of 7200 tons, and this was estimated to cost Rs. 14,400. It will thus be seen that the assistance for starting

Please see para 2 of the Conservator's
letter 114. 4. 1909 on page 5 of
G.O. No. 2019 Rev. of 23.7.09 (P)

industrial concerns asked for is not without precedent. The main and preliminary point seems to be to see that the concern is deserving of encouragement and is not prima facie doomed to failure.

Mr. Tressler is not hopeful of the present undertaking. His misgivings are in regard to the capacity of the management to run the business. He does not suggest any definite alterations in the management or point out clearly how it is defective. He is generally averse to the control being vested in laymen. Though some of the Directors are laymen, they do not seem to contemplate running the factory without experts; and the present application evidences this fact. The conditions proposed by Mr. Tressler do not, it is submitted, seem to be such as could be readily accepted by any business concern, and are likely to be construed as involving undue interference with private concerns. They appear to be conceived more in the interests of the department. He wants first to experiment with the plant for a year, obtain data for the Bureau and get his staff

para 14 lots of ch.

para 6 log. page 15 of ch.

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trained and then control the working of the factory for three years. It does not appear that Mr. Tressler has at present any definite ideas in the matter, but only intends to form them hereafter. In these circumstances, it is for consideration whether Mr. Tressler's view that the undertaking is not likely to succeed under the proposed scheme of management may be accepted. If it is to be, it may not be advisable to "waste" any Government money on it.

4. If, on the other hand, the concern is considered deserving of help, it may not be sufficient to lend the services of a supervisor alone which, Mr. Tressler says, is feasible at present. Such an officer will be more a learner than an adviser and will not be of much help in connection with the technical details of the trade, though he may be useful in looking after the mechanical portion of the factory. The engagement of an expert actually to work in the factory, and not merely for the purpose of advice, would appear to be a primary requisite of an undertaking like the present to be arranged for by the management

para 4 page 21 & 22 ref.

40
 itself. An application to Government for the purpose may perhaps need some unusual circumstance to justify. The present crisis might have placed difficulties in the way of the management in the matter. The recruitment of an expert for the Government will apparently have to be made by the Secretary of State, and it is not likely that he will at present be able to help. If the Government are inclined to view with favour this portion of the request, Mr. Tressler may be asked to state whether he has any ^{one} in view or what definite proposals he would make in this regard. The question ^{of funds} may thereafter be considered.

CA
 27/7/15.

I am afraid we cannot help this company at present.

Mr. Tressler's proposals were certainly drastic, but he is wise in refusing to be mixed up in an industry he cannot control.

It is true Mr. Desikachariar is not a practising advocate, but he has a large business of his own to run a long way from Tenmalai and the clause binding the company to pay him Rs. 350 a month as managing director for 10 years does not inspire one with confidence in the business methods of the company.

Nor did a talk I had with him about it. He

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proposed to leave over the essential consideration of railway rates, which wrecked the factory in Bombay, whose history is given in Sir P. Lely's 'Suggestion for ~~India~~ on the Better Governing of India', for examination after the factory was built.

What he wants is that Government should lend him the services of an expert till the factory is started. We haven't an expert in match-making, and if we are to get one from England for this factory alone, we might as well pay the company a lump grant at once.

I am afraid they must either get their own expert or learn by experience.

CH

27.7.15

H. E.

P.

31.7.15



A draft order is submitted for approval.

SK
15.8.15
5787/15

CH

6.8.15

SK draft
CH

" " " " , "

191

C. No. 1384, From the Managing Director, No. , dated 16. 4. 1915

1568 59 87 30 4 1915

" " 2499 " " 4 " " 15 10 " " 17. 7. 1915

No. 857 *W. H. H.*, dated *6-8* 1915

Mis

With reference to his letter dated the 16th April 1915, the Managing Director of the South Indian Match Factory, is informed that the Govt. regret that they are unable to assist the factory ^{in the manner} so ~~regard~~ requested ~~hypothetically~~ therein.

SK

5-8-15

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$$\begin{array}{r} 578718 \\ \hline \end{array}$$

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6.8.15

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