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MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION  
OF

**AMARJOTHI SPINNING MILLS LIMITED**

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FORM L R.



सत्यमेव जयते

# CERTIFICATE OF INCORPORATION

No. **15186** of 19 **87**.

I hereby certify that **" AMARJOTHI SPINNING  
MILLS PRIVATE LIMITED "** \*\* \*\* \*

\*\* \*\* \*\* \*\* \*\*

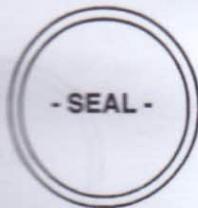
is this day incorporated under the Companies Act, 1956, (No. 1 of 1956) and  
that Company is Limited.

Given under my hand at **MADRAS**

this **SIXTEENTH TWENTYFIFTH** day of **DECEMBER AGRAHAYANA**

One thousand nine hundred and **EIGHTY SEVEN**

One thousand nine hundred and **NINE (SAKA)**



(Sd.) **K. PANCHAPAKESAN**  
Addl. Registrar of Companies  
TAMIL NADU.



Company Number : 15186

**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CONVERSION U/S 44**

In the office of the Register of Companies, Tamil Nadu, Coimbatore - 18.  
(Under the Companies, Act, 1956 (I of 1956))

**IN THE MATTER OF \* " AMARJOTHI SPINNING MILLS PRIVATE LIMITED"**

I hereby certify that **"AMARJOTHI SPINNING MILLS PRIVATE LIMITED"**  
which was originally incorporated on **16th** day of **December, 1987**  
under \*\* Companies Act, 1956 and under the name **"AMARJOTHI SPINNING MILLS  
PRIVATE LIMITED"** \*\* \*\* \*

having duly passed the necessary resolution in terms of Section 21/44 (b) of the Companies Act,  
1956 on 30.12.1991 the name of the said company in this day changed to  
**"AMARJOTHI SPINNING MILLS LIMITED"** \* \*  
and this Certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at COIMBATORE This **TWENTY SEVENTH** Day of **FEBRUARY**  
**EIGHTH** **PHALGUNA**

One Thousand nine hundred and **NINETY TWO.**

One thousand nine hundred and **THIRTEEN** (Saka)



**(Sd.) B.M. RATHINASAMY**  
Registrar of Companies  
Tamil Nadu  
COIMBATORE.

\* Here given the name of the Company as existing prior to the change.

\*\* Here given the name of the Act (s) under which the company was originally registered and incorporated.

(THE COMPANIES ACT, 1956)  
COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF

**AMARJOTHI SPINNING MILLS LIMITED**

[As amended upto 27.09.1996]

I. The name of the Company is **AMARJOTHI SPINNING MILLS LIMITED**

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

III. The objects for which the Company is established are :

(A) MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION :

1. To carry on all or any of the following business, namely :

To gin, press spin, weave, manufacture, dye, print and bleach cotton, waste cotton, yarns, cloths, silks, woollen and other goods, and undertake all types of processing and deal in all kinds of Textile made fabrics and other natural raw materials and from synthetic materials like Rayon and Polyester and to deal in and manufacture all kinds of Textile Machinery.

2. To establish, operate and commission Wind Mills for generation of Electricity/Power and to sell or distribute the said generated Electricity/Power and/or to utilise for captive consumption the Electricity/Power so generated out of Wind Mills to be established by the Company and to manufacture, import, export, lease, trade in or deal in machinery, equipment and accessories connected with the establishment of Wind Mill. (As amended by a special resolution passed at an Extraordinary General Meeting held on 21.03.1995)
3. To carry on the business of Real estate and to purchase or otherwise acquire and hold dispose off and deal in immovable properties such as land and building and other movable property of any type and to let out such properties and to make advances upon the security of immovables and other properties and any therein. (As amended by a special Resolution at the Annual General Meeting held on 27.09.96).
4. To carry on the business as Developers, Builders, Constructors, Contractors, Decorators and undertake projects on Turn Key Basis of Dwelling Houses, Residential Complexes and Flats, Commercial Complexes, Cinema Houses, Bus Stands, Airports, Seaports, Railway Stations and Building of all types, Government and other Industrial Buildings including Power Plants Chemicals, Fertilizers, Petrochemical, Oil and Gas and related plants in India and abroad. (As amended by a special Resolution at the Annual General Meeting held on 27.09.96).

**(B) OBJECTS INCIDENTAL TO THE ATTAINMENT OF THE MAIN OBJECTS :**

1. To buy, fabricate, construct, repair, convert, alter, remodel and let on hire, sell and deal in textile machinery, implements and by products, in connection with the main objects of the Company.
2. To buy, sell, export, import or deal in all or any cotton and synthetic substances, goods, wares used or capable of being used in any of the Company's operation and to make, buy, sell and deal in all or any articles and things in the production of which any of the manufactures or other products of the Company are used or capable of being used.
3. To acquire, purchase, construct, develop any area, land and building, undertaking, concern, contract or adventure which may be conducive to or useful for carrying on the business or useful for attaining the objects of the Company.
4. To open offices in India and abroad for the purpose of securing the business, for procuring raw materials, machineries, plant and for pushing sales of the Company's product and appoint agents for agencies, branches or other offices for advertising, selling, exhibiting, keeping or disposing of goods and other merchandise in connection with the objects of the Company or any one of them.
5. To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any or person, firm or company, carrying on or proposing to carry on any business which this Company is authorised to carry on or any property or rights suitable for any of the purposes of the Company and to purchase, acquire, sell and deal in property, shares, share stock, debenture stock of any such person firm or Company and to conduct, make or to carry out into effect any arrangements in regard to the business of any such person, firm or Company.

6. To build, construct, maintain enlarge, pull down, remove or replace, remove or develop and to work, manage and control any furnaces, godowns, warehouses, shops, machineries, engines buildings, offices, factories, mills, foundries, refineries, Roadways, railways within the premises or on lease land, tramways water-courses, water systems, wharves, electrical works, gas works or works operated by any other kind of power and also such other machinery, equipment, conveyances, work and conveniences which may seem calculated directly or indirectly to advance the interests of the Company and to subsidise, contribute to or otherwise assist or take part in doing any of those things and/or to join with any other person or Company or with any Governmental Authority in doing any of these things.
7. To apply for purchase or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets d'invention, trade marks, designs, licenses, concessions and the like conferring any exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purpose 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 licence in consideration or otherwise in respect of, or otherwise turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patent, inventions or rights and without prejudice to the generality of the above, contracts, monopolies or concessions for or in relation to the supply or sale of any minerals, metals, products or other substance, materials, articles or things or for in relation to the construction, execution, carrying out, equipment, improvement, management, administration or control of any works and convenience required for the purpose of carrying out any of the aforesaid business and to undertake, execute, carry out, dispose or otherwise turn to account such contracts, monopolies or concessions.
8. To purchase, take on lease or licence or in exchange, hire or otherwise any real and or personal property and any rights or privileges which the Company may think necessary and convenient for the purpose of its business or may enhance the value of any other property of the Company and in particular any land (freehold, lease hold or other tenure), Buildings, easements, machinery, plant and stock in trade and on any such lands to erect buildings, factories, sheds, godowns, or the structures for the works and purpose of the Company and also for the residence and amenity of its employees, staff and other workmen and erect and install machinery and plant and other equipments deemed necessary or convenient or profitable for the purpose of the Company and either to retain the same for the purpose of the Company, business or to turn the same to account as may seem expedient.
9. To exchange, sell, convey, assign or let on lease or grant licence for the whole or any part of the Company's immovable properties and accept as consideration or in lieu thereof other land, cash, Government Securities, or Securities guaranteed by Government or shares in Joint Stock Companies or partly the one and partly the other or such other property or securities as may be determined by the Company and to take back or re-acquire any property so disposed of by repurchasing or leasing the same or obtaining a licence for such price, prices and on such terms and conditions as may be agreed upon.

10. To enter into any agreements with the Government of India or any other Government or with any authorities, Public, Municipal, Local, Railway or otherwise or with any other person, that may seem conducive to the objects of the Company or any of them and to obtain from any such Government, authority or persons any rights, privileges, charities, licences and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply therewith and dispose of or turn to account the same.
11. To amalgamate in accordance with the provisions of Section 394 of the Companies Act, 1956 and to enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession with any persons or Company carrying on or engaged in or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in.
12. To improve, manage, develop, grant rights or privileges in respect of otherwise deal with, any part of the property and rights of the Company.
13. To promote and form and to be interested in and take, hold and dispose of shares in other companies and to transfer to any such Company any property of this Company and to take or otherwise acquire, hold and dispose of shares, debentures and other securities in or of any such Company and to subsidise or otherwise assist any such Company. Provided that the investment are made out of the surplus of funds or for advancing the main object of the Company.
14. To take or concur in taking all such steps and proceedings as may seem best, calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimise financial disturbances which might affect the Company.
15. To sell, lease, mortgage or otherwise dispose of or transfer the business, property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, stocks, debentures or other securities of any other Company whether or not having objects altogether or in part similar to those of the Company.
16. To pay out of the funds of the Company, all costs, charges and expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company and/or the issue of its Capital or which the Company shall consider to be preliminary, including therein the cost of advertising, printing and stationery and commission.
17. To borrow or raise money, or to receive money on deposit or loan of interest or otherwise in such manner as the Company may think fit and in particular by the issue of debentures or debenture stock, perpetual or otherwise, and convertible into shares of this or any other Company or not to secure the repayment of any money such borrowed, raised, or received, or owing by mortgage, pledge, charge or lien upon all or any of the property, assets or revenue of the Company (both present and future) including its uncalled capital and to give the lenders or creditors the power of the sale and other powers as may seem expedient to purchase, redeem or pay off

any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person, firm or Company or any obligation undertaken by the Company or any other person, firm or Company as the case may be.

18. To draw, make, accept, endorse, discount, execute and issue and negotiate bills of exchange, hundies, promissory notes, bill of lading, warrants, debentures and other negotiable or transferable instruments and to open necessary Bank accounts.
19. To procure registration or other recognition of the Company in any country, State or place and to establish and regulate agencies for the purpose of the Company's business and to apply, or join in applying in any Parliament, Government, Local, Municipal or other authority or body for any Acts of Parliament, Law degree, concessions, orders, rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any proceedings or application which may be calculated directly or indirectly to prejudice the Company's interests.
20. To establish and maintain and procure the establishment and maintenance of any non contributory or contributory pension or superannuation schemes or funds for the benefit of and to give or procure the giving of donation, gratuities, pensions, allowances or emoluments and to make or procure the making of any gift to any person who are or were at any time in the employment or service of the Company or who are or were at any time Directors or officer of the Company and the wives, widows, families and dependents of such person or class of persons in whose welfare the Company is or has been at any time interested or any other person or persons or class of persons selected by the Company and also to establish and subsidise or subscribe to any trusts, foundations, settlements, institutions, associations, clubs or funds for the purposes and or calculated to fulfil the purposes aforesaid and or calculated to be for the benefit of or to advance the interest and well being of the Company or for any other Company and to make payments for or towards the insurance of any such person or persons or class of persons as aforesaid and to subscribe and guarantee money for charitable or benevolent objects or for any exhibition or for any public general or useful object and to do any of the matters aforesaid either alone or in conjunction with any such other Company.
21. As permissible under the Companies Act, 1956 to distribute in specie or otherwise as may be resolved, any property or assets of the Company or any proceeds of sale, or disposal of any property or assets of the Company including the shares, debentures or other securities of any other Company formed to take over the whole or any part of the assets or liabilities of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
22. To give to any officers, servants or employees of the Company any share of interest in the profits of the Company's business or any branch thereof, whether carried on by means or through the agency of any Subsidiary Company or not and for the purpose to enter into any arrangements the Company may think fit.
23. To train or pay for the training in India or abroad of any of the Company's employees or any candidate in the interest of or for furtherance of the Company's objects.

24. To acquire from any Government, Central, State, Local or Foreign or Public body or persons or authority, or from any private individual any concessions, grants, decrees, rights, power and privileges whatsoever which may seem to the Company capable of being turned to account or which the Company may think directly or indirectly conducive to any of its objects or capable of being carried on in connection with its business and to work, develop, carryout, exercise and turn to account the same.
25. To apply for, promote and obtain any Act of Parliament, Charter privilege, concession, licence or authorisation of any Government, State or Municipality, provisional order of licence from any authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting an modification of the constitution of the Company or for any other purpose which may seem calculated directly or indirectly to prejudice the interests of the Company.
26. To grant pecuniary or other aid or free scholarship in full or in part with or without boarding and lodging to any student or students or others selected by the Directors for studying or receiving training in the manufacture or otherwise of the products specified above and kindred subject in India or in foreign countries with or without consideration of acquiring for the Company his or their services after the completion of such course, courses of training.
27. To enter into agreement with any person or concerns in India or abroad for the purpose of importing any materials or machineries for carrying on any of the objects of the Company or for technical know-how.
28. To invest and deal with the moneys of the Company not immediately required in shares of other Companies, debentures or debenture stocks of other Companies Government securities, whether securities issued by the Central or State Government or in other securities and in any manner as may from time to time determined.
29. To lend money to such persons or Companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons or Companies.
30. To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stocks, perpetual or otherwise charged upon all or any of the Company's property including its uncalled capital and to purchase, redeem or pay of securities, without doing the business of banking as defined in Banking Regulation Act, 1949.
31. To assist, promote, aid or subscribe to the establishment and maintenance of any institution, association fund or charity for the benefit and use of the employees of the Company and grant gratuity, bonus, pension, privileges, relief and other emoluments to them and their dependents and to provide for their dependents and for their welfare, convenience, entertainment, amelioration, education, dependents, to encourage or otherwise aid benevolent society, institution and associations as the Company may deem fit.

32. To support and subscribe or contribute to any funds of any party, trade, commerce or industry, provided that such contribution is likely to be, in the opinion of the Company and in the interests of the Company, but not for political purposes.
33. To promote any Company or Companies for the purposes of acquiring all or any of the property, rights and liabilities of this company or for any other propose which may seem directly or indirectly calculated to benefit this Company.
34. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other funds whether for depreciation or for repairing, improving, extending or maintaining the property and of the Company or for redemption of Debentures or Redeemable Preference Shares or for any other purpose whatsoever conducive to the interest of the Company.
35. To undertake and execute any trusts and undertaking whereof may seem desirable and either gratuitously or otherwise.
36. Except in the matter of distributing the profits of the Company by way of dividends, and subject to the provisions of the Companies Act, to distribute among the members of the Company in specie any property of the Company and in particular any shares, stocks, debentures, debenture stocks or securities of other Companies belonging to the Company or of which the Company may have the power of disposing.

(C) OTHER OBJECTS OF THE COMAPNY ARE :

1. To manufacture, buy, sell and deal in apparatus, machinery, materials and articles of all kinds, connected with the textile industry.
2. To own, prospect or explore, acquire by lease, licence, purchase or otherwise, open, work, develop and maintain mines, quarries and natural deposits of oil, ores, gas, coal, sand, sandpits, slate, stone, limestone, quarries, copper and other ferrous, non-ferrous metals and chemical substances, of all kinds to conduct the business of working and getting therefrom clay, sand, quarriable substances, coal, coppber, oil, nitrate and minerals of all kinds and supplying to other persons such other substances.
3. To carry on the business of chemical, manufacture and wholesale and retail chemists and druggists, analytical chemists, dysalters, oil and colour importers, exporters and manufacturers of and dealers in yarns, textiles, plastic and plastic goods, heavy chemical drugs, chemicals, industrial and other preparations, mineral and other water, cements, oils paints, pigments and varishes, drug, paint and colour grinders, makers of and dealers in proprietary articles of all kinds of electrical, chemical, photographic, surgical and scientific apparatus and materials.
4. To manufacture, produce, buy and sell and otherwise deal in zinc, iron steel, silicon, chromium, titanium, tungsten, calcium, carbon, copper, aluminium, nickel and other elementary substances and all alloys, compounds and products of the foregoing or

- any of them, also coke, gas, oil, lumber and all or any articles consisting or partly consisting of the foregoing or any of them and all or any products of the foregoing or any of them.
5. To manufacture, produce, use, lease, buy and sell and otherwise deal in all gas producing materials and gases and all machinery, apparatus, appliances, equipment and fixtures for any purpose relating in any manner to the production, storage and use of any gas.
  6. To manufacture, produce, store, use, lease, buy and sell and otherwise deal or traffic in and dispose of either directly or indirectly, oxygen, hydrogen, nitrogen and all other elementary substances and chemicals or other products manufactured or separated from air or other substances and other gases and elements and all articles consisting or partly consisting of the foregoing, elements and substances or any of them and any and all products of the foregoing, gases elements and substances or any of them.
  7. To carry on the business of running a computer centre
  8. To carry on trade or business of manufactures of blasting, ballistic and pyrotechnic apparatus and other articles and things of analogous description or use or and in the several components part thereof.
  9. To carry on all or any of the business of importers, exporters, freighters, shipowners, charters of ship or other vessels, warehousemen, carriers forwarding agents and wharfingers, connected with textile industry.
  10. To carry on the business of manufactures and producers of fat, fertilisers, manures, dips, sprays, vermifuges, fungicides, medicines and remedies of all kinds for agricultural, fruit growing or other purposes or as remedies for men or animals and whether produced from vegetable or animal matter by any chemical process.
  11. To carry on all or any of the business of iron, brass and other metalworkers, machinists, tool makers, wire drawers, tubes, pipe and tank manufacturers, moulders, metallurgists and metal workers, fitters, millwrights galvanizers, japanners, electroplaters and enamellers.
  12. To manufacture, prepare and trade quarriable and mineral substance or products of all kinds obtained as aforesaid for sale or use or for manufacturing, building or any other purpose or process and to manufacture there from every kind of product.
  13. To manufacture, acquire, produce, use, sell and supply gas and electricity for lighting, heating and to deal with, manufacture and render saleable, all residual products obtained in the manufacture of gas.
  14. To manufacture and deal with machinery and apparatus of all kinds, relating to automobiles.
  15. To sink wells and shafts and to make, build and construct, laydown, acquire and maintain factories, engine, machinery, tramways, docks, quarries, reservoirs, culverts, mains and other pipes, paint and appliances and to execute and to do all other works and things necessary or convenient for working, obtaining, storing, selling manufacturing and conveying salt, brine and other chemical products.

16. To carry on business relating to mining and working of minerals, the production and working of metals.
17. To carry on the business in India or elsewhere in the World as manufacturers, dealers, repairers, reconditioners and converters of all kinds of textile machineries such as drawing frames, ginning machinery, blow-room machinery, carding engine, interframes, roving frames, ringframes, mules, reeling machines, bundling and baling machines, winding and warping machines, weaving machinery of all kinds, looms of all kinds, bleaching machines, other finishing machines, sizing machines, dyeing machines, calendering machines, folding machines, combing machines, weighing machines of all kinds, rayon and staple fibre manufacturing machines, boilers and all such other machines, necessary in connection with cotton, staple fibre, silk and synthetic fibre, wool and textile manufacture.
18. To manufacture, import, export and deal in bobbins, spindles, rings, ball bearings, tapes, cotton rope, cotton banding, willowing machines, soda opener, thread extractors, woodscrew fillets, toothed wheels and other tools accessories and machines necessary for the manufacture and working of textile and other machinery.
19. To manufacture, import, export and deal in electric motors, generators, transformers, switch-boards, switches, starters electric bulbs and tubelights, cables of all kinds, insulators, bare insulated wires, galvanized poles and other electric goods and accessories and scientific instruments.
20. To carry on the business of mechanical, electrical, railway, marine, aeronautical, agricultural, sanitary, civil and constructional engineers, aluminium founders, iron founders, brass founders, caster, spinners, rollers and workers of metals and their alloys including aluminium and their alloys and metallic combinations of all kinds, founders of all metals and metal compounds, whether ferrous or non-ferrous manufacturers of welding appliances, metal workers, millwrights, manufacturers of iron, steel, copper and aluminium, wire, nails, bolts, nuts and appliances, tools and implements, brass, zinc and any other metallic sheets converters of iron and steel and other metal, pasmith, tin manufacturers and tinkers, wheel wrights, wood workers, builders and painters, metallurgists, water supply engineers, gas makers, annealers, varnishers, vulcanisers, electroplaters, silver platers, aluminium platers.
21. To carry on the business of manufacturers, importers and exporters of and dealers in forgoing, press, structural and rolling works of all kinds and in particular, gates and railings, collapsible gates and grills, stairs, columns, trusses, metal doors and windows and other building materials, bolts and nuts, rivets, washers, wire nails, screws, hinges, hook bolts, tower bolts, dogspike, signalling materials and railway carriages and wagon fitting rods, bars, wires, sheets and mill, factory, tea garden and colliery requisites of all kinds.
22. To carry on the business of manufacturers, importers and exporters of and dealers in all kinds of furniture made of steel, wood or synthetic materials.
23. To acquire by concession, grant, purchase or barter, lease, amalgamation, licence or otherwise, either absolutely or conditionally and either solely or jointly with others and or tracts of country lands, estates, farms, forests, plantations, quarries, mines,

mineral rights, water rights, easements, rights and privileges and trade marks easements and to expend such sums of money as may be deemed requisite and advisable in the exploration prospecting, working, surveying, cultivation and development thereof.

24. To act as consultants and advisers to any person, firm, association, concern, company or corporation on problems of management, finance, industry, trade and commerce.
25. To carry on business as producers, distributors, exhibitors and or as financiers of all kinds of motion pictures.
26. To carry on business as booking/reservations agents for passenger for travel by rail, road, sea and air.
27. To carry on business as booking/delivery agents for all kinds of cargo sent by rail, road, air and sea.

IV. The liability of the Members is limited.

V. The Share Capital of the Company is Rs.6,75,00,000 (Rupees Six Crores Seventy five lakhs only) divided into 67,50,000 equity shares of Rs.10/- each. (As amended by a special resolution passed at an Extra-ordinary General Meeting held on 21.03.1995)

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

S.No.	Names, Addresses, Descriptions and occupations of subscribers	No.of equity shares taken by each subscriber	Signature
1.	R.Saroja W/o N.Rajan, B.Com., F.C.A. 3-C, Pethichettipuram, East Street, Tirupur - 1  Industrialist	9 Nine	(sd.) R.SAROJA
2.	R.Premchander S/o N.Rajan, B.Com., F.C.A. 3-C, Pethichettipuram, Tirupur - 1  Banker	9 Nine	(sd.)R.PREMCHANDER
	Total	18 Eighteen	

Date : 03.12.1987

(Signed before me at Madras)

Place : Tirupur

Witness to the above signatures :

(Sd.) K.RAVI  
K. Ravi  
S/o. R.Kannan  
12, Sambandam St.Mandavelli,  
Madras - 600 028  
Chartered Accountant

THE COMPANIES ACT, 1956  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF

**AMARJOTHI SPINNING MILLS LIMITED**

[As amended upto 27.09.1996]

1. The Regulations contained in Table A in Schedule 1 to the Companies Act, 1956 so far as the same may be applicable to a Public Company, as defined in the Act, shall except otherwise and to the extent provided in these Articles, apply to this Company in the same manner as if all such regulations of Table A are specifically contained in these Articles.
2. In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject or context thereof.
  - a) "Company" means AMARJOTHI SPINNING MILLS LIMITED.
  - b) "The Act" means the Companies Act, 1956 or any statutory modification thereof.
  - c) "The Board" or "The Board of Directors" means a meeting of the Directors duly

called and constituted or as the case may be the Directors assembled as a Board or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.

- d) "The Directors" means the Directors for the time being of the Company.
- e) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of Section 166 of the Act.
- f) "The Office" means the "The Registered Office" of the Company
- g) "Seal means "The Common Seal" of the Company.

Expressions referring to writing shall be construed as including references to typewriting, printing, lithography, photography and other modes of representing or reproducing words in visible form.

Unless the context otherwise requires, the words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modifications thereof.

3. Except as provided in section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of the Company's own shares.
4.
  - a) The Share capital of the Company is Rs.6,75,00,000 (Rupees Six Crores Seventy five Lacs only) divided into 67,50,000 equity shares of Rs.10/- each. (As amended by a special resolution passed at an Extra- ordinary General Meeting held on 21.03.1995)
  - b) The Board may at its discretion convert the unissued Equity Shares into preference shares and vice versa and the Board may issue any part or parts of the unissued Shares upon such terms and conditions and such rights and privileges annexed thereto as the Board at its discretion and subject to the provisions of Section 86 to 89 of the Act thinks fit and in particular may issue such shares with such preferential rights to dividends and in the distribution of the assets of the Company as the Board may determine subject to provisions of the Act.
5. Subject to the provisions of these Articles, the Shares shall be under the control of the Directors, who may allot or otherwise dispose of the same of such persons on such terms and conditions and at such time as they think fit subject to the provisions of the Act provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in general meeting (as amended by a special resolution passed at Annual General Meeting held on 29.09.1994).
6. No person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by or be compelled to recognise any equitable contingent, future or partial interest in any share, or any interest in any fractional part of a share, or except only as by these presents otherwise expressly provided any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

## 6 (a) Convertible Securities :

Except with the sanction of the Company in General Meeting, no debentures/ debenture stock, loans/loan stock, bonds or other securities conferring the right to allotment or conversion into shares or the option or right to call for allotment of shares shall be issued.

## 6 (b) Calls in advance :

Amounts paid in advance of calls shall not confer on persons paying such amounts any right to dividend or to participate in the profits of the company. However such amounts may entail a right for interest in accordance with the provisions of the Act.

## 6 (c) No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall comply with all the provisions of Section 205A of the Act in respect of unclaimed or unpaid dividend.(as amended by a special resolution passed at Annual General Meeting held on 29.09.1994).

### SHARE CERTIFICATE

## 7. a) Certificate of title to Shares shall be issued in market lots under the Seal of the Company. Every Share Certificate and every Certificate of title to the Shares, whether in renewal of an existing Share Certificate or other document of title or issued for the first time shall be issued under the authority of the Board of Directors and in accordance with the provisions of the Companies (Issue of Shares Certificate) Rules, 1960 or any modification thereof and in accordance with the provision of Law or such other rule having the force of law applicable thereto.

## b) No Share Certificate shall be issued for Shares below 50 in number, either by the Board on its own or on request of any Share Holder for subdividing a Share Certificate for 50 Shares into Certificates for Shares below 50 or otherwise, unless issue of Certificates for Shares below 50 have become necessary by operation of Law or on orders of Court or Company Law Board or any other competent authority in this regard.

## c) No fee shall be charged for issue of new share/debenture certificates in replacement of those which are old, decrepit or where the pages on the reverse for recording transfers have been fully utilised.

## d) Certificates for shares/debentures shall be issued in marketable lots and where such certificates are issued for either more or less than marketable lots, subdivision or consolidation into marketable lots shall be done free of charge.

### TRANSFER AND TRANSMISSION OF SHARES

## 8. No transfer of any Share or Debenture shall be registered by the Company unless a proper instrument of transfer, duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee, and specifying the name, address and occupation if any of the transferee, has been delivered to the Company along

with the Certificate relating to the Share or Debenture or with a letter of allotment of the Shares or Debenture if no such Certificate is in existence. Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board thinks fit. Provided further that nothing in this clause shall prejudice any power of the Company to register as Shareholder or Debentureholder any person who becomes entitled to any Shares or Debentures by operation of Law.

9. The instrument of transfer shall be in such form as may be prescribed under the Act.
10. The instrument of transfer of any Shares in the Company shall be executed both by or on behalf of transferor and transferee and the transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof. In the case of Shares held jointly and in the case where Shares have been transferred to more than one person jointly the transfer deed shall be signed by all of the said joint holders or by all the transferees as the case may be.
11. Subject to the provisions of Section 111 of the Act, the Directors may at any time, in their discretion and without assigning any reason, decline to register any proposed transfer of Shares or transmission of Shares by operation of Law, whether the transferee is a Member of the Company or not.

"Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except a lien on the shares".

- 11 a) The company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in, any share shall be created except upon the footing and condition that Article 6 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause. (as amended by a special resolution passed at Annual General Meeting held on 29.09.1994).

#### TRANSMISSION OF SHARES

12. In case of the death of a Shareholder the survivors or survivor where the deceased was a joint holder, and the executors or the administrators of the deceased or other person legally entitled to the Shares where he was sole or only surviving holder shall be the only persons recognised by the Company as having any title to his interest in the

Shares, but nothing in this Articles shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any Shares held by him.

13. Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Share) may subject as hereinafter provided either be registered himself as the holder of the share upon giving to the Company notice in writing of such his desire or transfer such Share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfers and the registration of transfers of Share shall be applicable to any such notice or transfer as after said as if the death or bankruptcy of member had not occurred.
14. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the company such evidence as the Directors may reasonably require to show his title to the shares) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any rights conferred by Membership in relation to meetings of the company until he shall have registered as a Member in respect of the shares.
  - 14 a) The Company shall effect transfer, transmission, subdivision or consolidation of any shares, subject to the provisions of the Act and these presents, within one month from the date of lodgement thereof.
  - 14 b) No fee shall be charged for transfer of shares/debentures or for effecting transmission or for registering any letters of probate, letters of administration and similar other documents.

### GENERAL MEETINGS

15. Five Members present in person shall be a quorum for a general Meeting. A representative of a Member Company or body corporate shall be counted in determining a quorum. No business shall be transacted at any General Meeting unless the quorum shall be present at the commencement of the meeting.
16. The Directors may, whenever they think fit, call Extraordinary General Meetings subject to Section 169 of the Act.

### DIRECTORS

17. Until otherwise decided by the Company in General Meeting, the Company; shall have not less than 3 and not more than 12 Directors.

18. Any person whether a member of the Company or not may be appointed as a Director and no qualification by way of Shareholding shall be required from any Director.
19. One third of the total number of directors shall not be subject to retirement by rotation.
20. At every Annual General Meeting of the Company, out of two thirds of the total number of Directors as are liable for retirement by rotation in accordance with the provisions of the Act and these articles. One third of the Directors for the time being or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. The Directors to retire by rotation shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves be, determined by lot.
21. If at any Annual General Meeting at which an election of Directors ought to take place, the place of any retiring Directors is not filled up, he shall, if willing, continue in office until the Annual General Meeting in the next year and so on from year to year until his place is filled up, unless it shall be determined at such meeting on due notice to reduce the number of Directors in office or unless at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost.
22. If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course the resulting casual vacancy may be filled by the Board at a meeting of the Board. Any person so appointed shall hold office only upto which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.
23. Subject to Section 259 of the Act, the Company may from time to time in General Meeting increase or reduce the number of Directors but so that the number of Directors shall not exceed the maximum fixed in Article 17.
24. The directors shall have power at any time and from time to time to appoint a person as additional Director but so that the number of Directors shall not exceed the maximum fixed in Article 17. Such additional Director shall retire from office at the following Annual General Meeting but shall be eligible for election by the Company at that Meeting as a Director.
25. Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Reconstruction Bank of India Limited (IRBI) Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UII) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central

Government or State Government by themselves (each of the above is hereinafter in this article referred to as the 'Corporation') out of any Loans/Debentures assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or by private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or non-wholetime, (which Director or Directors, is/are hereinafter referred to as 'Nominee Director/s') on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any money remains owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or by private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees, and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation, or such Nominee Director/s in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company to the Corporation directly.

- Provided also that in the event of the Nominee Director/s being appointed as wholetime Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a wholetime Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.
26. Subject to Section 284 of the Act, the Company may by ordinary resolution remove any Director and may by ordinary resolution appoint another person in his stead.
  27. Each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a committee of the Board, such fees as sitting fees as are permitted to be paid under the provisions of the Act or Rules framed thereunder and for the time being in force, per meeting of the Board or a Committee of the Board attended him; besides travelling and other expenses reasonably incurred by him for attending such meetings.
  28. Subject to Section 198, 309 and 310 of the Companies Act, 1956 the Board may remunerate any Director performing extra services or making any special exertions for any of the purposes of the Company either by a monthly payment or as a specified percentage of the profits of the Company or in any other manner as the Board may determine and the Company may by a special resolution remunerate any Director by commission as provided by Section 309 (4) of the Act.
  29. a) Subject to the provisions of section 314 of the Act, if any Director shall be appointed to advise the Directors as an expert, or be called upon to perform extra services or makes special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit which remuneration may be in the form of either a salary, commission or lump sum and they may either be in addition to or in substitution of the remunerations specified in the last preceding article.  
b) A Director may be appointed to be in the wholetime employment of the Company and may be paid a remuneration for such employment either by way of a monthly payment or at specific percentage of the net profits of the Company or partly by one way or partly by the other, as the Board may decide.
  30. Except as otherwise provided in these articles, all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.
  31. All meeting of the Board of Directors of the Company shall unless otherwise determined by the Board be held at the Registered Office of the Company. The quorum for a Board Meeting shall be two Directors personally present, or one third of the total strength of the Board (any fraction being rounded off as one) whichever is higher.

### MANAGING DIRECTORS

- 32 a) The business of the Company shall subject to the supervision, control and directions, of the Board, be carried on and managed by one or more Managing Directors, to be appointed in accordance with the provisions, of this article.
- b) The Board of Directors or the Company in General Meeting may appoint any Director or Directors to be the Managing Director or Managing Directors of the Company.
- c) The said Managing Director/s shall be paid such remuneration as the Board or the Company in General Meeting shall determine subject to the provision of the Act and the Rules framed thereunder for the time being in force.
- d) Any Managing Director so appointed shall not whilst holding that office, be subject to retirement by rotation, or be taken into account, in determining the rotation of Directors.
33. A Managing Director shall (Subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director, if he ceases to hold the office of Director from any cause.
34. So long as the Company has a Managing Director holding office as such, every power, authority and discretion conferred or vested by these presents on the Directors shall be exercisable by the Managing Director, except those which are by Law or by these presents or by any resolution of the Board are required to be done otherwise.
35. Subject to the provisions of the Act, the Company in General Meeting, or the Board may from time to time appoint and remunerate one or more of their Body to the office of wholtime Director, Executive Director, Technical Director or Sales Director for such term and on such remuneration whether by way of salary, commission, participation in profit or otherwise as may be thought fit, and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The Directors so appointed shall not while holding office be subject to retirement by rotation of the Directors or be taken into account in determining the rotation by retirement of Directors.

### PROCEEDINGS OF DIRECTORS

36. The Directors shall meet for the despatch of business and adjourn and otherwise regulate their meetings, as they think fit provided that a meeting of the Board of Directors shall be held atleast once in every three calender months, as required by Section 285 of the Act.

37. Subject to the provision of the Act, a resolution in writing signed by a majority of the Directors of the company for the time being shall be as effective and binding as a resolution duly passed at a meeting of the Board duly convened and constituted. In the event of the signature or signatures of any one or more of the Directors to any such resolution, being affixed on different dates, the said resolution shall, unless otherwise stated therein, be deemed to be passed on the date of signature of the Director signing last.
38. Questions arising at any meeting of the Board, shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, at any time summon meeting of the Board.
39. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed or pursuant to the regulations of the Company as the necessary quorum for Directors, the continuing Directors may act for the purpose of increasing the number of Directors to the quorum number or for summoning a General Meeting of the Company, but for no other purpose.
40. The Directors may elect a Chairman for their meetings and determine the period for which he is to hold office, but if no such Chairman is elected, or at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the Chairman of the meeting.
41. Until otherwise determined one-third of the total strength of the directors (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher shall be quorum.

#### COMMON SEAL

- 42 a) The Board shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being.
- b) Subject to any statutory requirements as to Share Certificates or otherwise, the Seal of the Company shall not be affixed to any instruments except by the authority of resolution of the Board or of a committee of the Board authorised by it in that behalf and except in the presence of at least one Director and of the Secretary or such other person as the Board may appoint for the purpose; and the Directors and the Secretary or other person as aforesaid shall sign every instrument to which the Seal of Company is so affixed in their presence. The Company may exercise the power conferred by Section 50 with regard to having an official Seal for use abroad, and such power shall be vested in the Board.

## WINDING UP

43. If upon the winding up of the Company, any surplus assets shall be more than sufficient to repay the whole of the paid up capital, the excess shall be distributed among the Members in proportion to the capital paid up or which ought to have been paid on the Shares at the commencement of winding up held by them respectively, other than amounts paid in advance of calls. If the assets shall be insufficient to repay the whole of the paid up capital, such assets shall be so distributed such that the loss is borne by the Members in proportion to the capital paid or which ought to have been paid on the Shares at the commencement of the winding up. But this article is without prejudice to the rights of the holders of the preference Shares issued upon special conditions.
44. The Liquidator on any winding up (whether voluntary or under supervision of Court or compulsory) may, with the sanction of a special resolution, divide among the contributories in specie, any part of the assets of the Company and may with like sanction vest any part of assets of the Company in trustees upon such trusts for the benefit of the contributories, as he, with like sanction, shall think fit.
45. Any such Liquidator, may irrespective of the powers conferred upon him by the Act and, with the authority of a special resolution, sell the undertaking of the Company or the whole or any part of its assets, for Shares, fully or partly paid up or for the obligations of or other interest in any other Company and may by the contract of sale agree for the allotment to the Member direct of the proceeds of sale in proportion to their respective interests in the Company, and in case the Shares of this Company shall be different classes, may arrange for the allotment in respect or preference Share of Company and may further by the contract limit a time at the expiration of which shares, obligations or other interests not accepted or required shall be deemed to have been refused and be at the disposal of the liquidator.

## INDEMNITY AND RESPONSIBILITY

- 46 a) Subject to the provisions of Section 201 of the Act, every Director, Manager or officer of the Company shall be indemnified by the Company against all costs, losses and expenses which any such person may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, manager or Officer or in any way in the discharge of duties, including travelling allowances and the amount for which such indemnity is provided shall be immediately attached as a lien on the property of the Company and have priority as between the Members over all other claims.
- b) Without prejudice to the generality of the foregoing, it is hereby expressly declared that any filing fee payable on any document required to be filed with the Registrar of Companies or any other payment to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

47. No Director or other officer of the Company shall be liable for the acts, receipts neglect or default of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person, Company or corporation with whom any monies, securities or effects may be entrusted or deposited, or for any other loss occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of duty of his office or in relation thereto unless the same happens through his own dishonesty.

#### SECURITY CLAUSE

- 48 a) Subject to the provisions of the Act, no member shall be entitled to inspect the Company's books without the permission of the Directors, or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the Directors, is not expedient in the interest of the Members of the company to be communicated to the public.
- b) Every Director, Manager, Secretary, Auditor, Trustee, Member of the Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties or any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of Accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required to do so by the Board or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these articles.

S.No.	Names, Addresses, Descriptions and occupations of subscribers	Signature
1.	R.Saroja W/o N.Rajan, B.Com., F.C.A. 3-C, Pethichettipuram, East Street, Tirupur - 1  Industrialist	(sd.) R.SAROJA
2.	R.Premchander S/o N.Rajan, B.Com., F.C.A. 3-C, Pethichettipuram, Tirupur - 1  Banker	(sd.)R.PREMCHANDER

Date : 03.12.1987

(Signed before me at Madras)

Place : Tirupur

Witness to the above signatures :

(Sd.) K.RAVI

K. Ravi

S/o. R.Kannan

12, Sambandam St.Mandaveli,

Madras - 600 028

Chartered Accountant