

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
OF THE
SAMBANDAM SPINNING MILLS LIMITED
(Amended upto 28-09-2014)

- I. The name of the company is "SAMBANDAM SPINNING MILLS LIMITED"
- II. The registered office of the Company will be situated in the State of TAMIL NADU
- III. **A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE :**
 1. To carry on the business of cotton, waste cotton, staple fibre, silk, artificial silk, rayon, flax, hemp, jute, worsted and woollen spinners; cotton ginners and doublers; combers and wool combers; worsted stuff manufacturers; linen manufacturers, cloth manufacturers; weavers of cotton, silk, artificial silk, rayon, staple-fibre, wool, flax, hemp, jute, worsted and other fibrous substances; silk and artificial silk mercers; hosiers and carpet makers.
 2. To comb, prepare, spin, dye, and deal in cotton, waste cotton, wool, silk, artificial silk, staple-fibre, rayon, flax, hemp, jute, and other fibrous substances; to weave or otherwise manufacture cloth, silk, linen, mercerised yarn and other goods fabrics, whether textile, felted, netted or looped; and sell any such goods manufactured whether in wholesale or in retail.
 3. To carry on the business of spinning and weaving mills in cotton, waste cotton, silk, artificial silk, staple-fibre, rayon, wool, flax, hemp, jute and any other fibrous substances.
 4. To carry on the business of cotton, waste cotton, silk, artificial silk, staple-fibre, rayon, flax, hemp, jute, worsted and woolen merchants; or yarn merchants and buyers, sellers, dealers, exporters and importers, whether in wholesale or retail of cotton, waste cotton and cloth, linen, silk, artificial silk, staple-fibre, rayon, flax, hemp, jute, wool and other fibrous substances.
 5. To cultivate, buy, sell and deal in raw or finished cotton, waste cotton, wool, jute, silk, artificial silk, staple-fibre, mercerised yarn and other fibrous substances and to prepare, gin, clean, press and pack the same and sell the materials so manufactured.



B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS AS AFORESAID ARE :

1. To acquire, by purchase, hire, lease or otherwise all kinds of machinery and tools necessary for the business of the company and to deal in all such things.
2. To import, export and deal in all kinds of industrial stores and mechanical spare parts, dye-stuffs, chemicals necessary for textile manufacture or otherwise for the business of the company.
3. To purchase, take on lease or in exchange, or otherwise acquire, erect, construct, maintain, repair, renovate, adapt, demolish or reconstruct, or add to or extend lands, buildings, residential bungalows, quarters, godowns, offices, chawls, warehouses, structures, erections, workshops, factories, foundries necessary or convenient for the purpose of the Company by purchasing, acquiring, getting transferred, adding to, altering, enlarging, all or any of the buildings, factories, quarters, godowns, offices, chawls, warehouses, structures, erections, workshops, factories, premises, foundries, being the property of the Company or situate on all or any of the lands for the time being the property, or in possession of the Company, in particular to construct the necessary factory and other buildings for the Company's proposed Waste Spinning Plant on the land already purchased for the Company by the Promoters and on which construction work has already been started by them on behalf of the Company; and by expending from time to time such sum or sums of money as may be necessary or expedient for improving, adding to, altering, repairing and maintaining the lands, buildings, quarters, godowns, chawls, offices, warehouses, structures, and erections, being the property of the Company and to sell or let out or mortgage all or any portion of the same as may be thought desirable.
4. To develop and turn to account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings and by planting, paving, draining, farming, cultivating and letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with builders and others.
5. To cultivate all or any of the lands belonging to the Company, to grow and cultivate therein cotton, jute and other fibrous plants, and to carry on the business of farmers and dealers in cotton, silk, staple-fibre, wool and synthetic fibre of all kinds.
6. To construct, improve, maintain, develop, work, manage, carry out or control any roads, ways, railway sidings, branches, reservoirs, tanks manufactures, electric works, shops, stores and other works and convenience which may seem calculated directly or indirectly to advance the company's interests and to contribute to, subsidise or otherwise assist or to



take part in the construction of improvement, maintenance, working, management, carrying out or control thereof.

7. To purchase any machinery, plant, raw materials, chemicals, tools, implements, stores and other articles for the use and purpose of the company and to remove all or any of the machinery, plant, raw materials, chemicals, tools, implements, stores and other articles of the company for the time being in or upon any lands, buildings, or premises of the company, to other lands, buildings or premises wherever situate.
8. To apply for, purchase or otherwise acquire, any patents, brevets d'invention, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to invention which may seem capable of being used for any of the purposes of the company, of the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired.
9. To carry on any business, whether manufacturing or otherwise which may seem to the company capable of being conveniently or in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
10. To acquire and undertake the whole or any part of the business property and liabilities of any person, partnership firm or Company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purpose of this Company.
11. To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure or reciprocal concession, with any person or company carrying on or engaged in, or about to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. And to lend money to, guarantee the contracts of, or otherwise assist, any such person or Company, and to take or otherwise acquire shares and securities of any such Company, and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same.
12. To amalgamate with, or absorb into this Company, any other Company having objects altogether or in part similar to those of this Company.
13. To take, or otherwise acquire, and hold shares in any other Company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company.
14. To enter into any arrangement with any Government or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such Government or authority any rights, privileges and



concessions which the Company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions.

15. To promote any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
16. Without doing any banking business within the meaning of the provisions of the Banking Companies Act, 1949 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.
17. To make advance for the purchase of raw materials, goods, machinery, stores and other articles required for the purpose of the Company or deemed expedient with or without security of any nature and kind whatsoever.
18. To obtain any provisional order or Act of Legislature for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.
19. To assist any Company financially or otherwise, by subscribing for or guaranteeing the subscription and issue of capital, shares, stock debenture, debenture-stock or other securities and to take, hold and deal in shares, stock and securities of any Company notwithstanding there may be liability thereon.
20. To apply for tender, purchase or otherwise acquire any contracts, sub-contracts, licences, and concessions for or in relation to the objects of business therein mentioned or any of them and to undertake, execute, carry out, dispose of, or otherwise turn to account the same; and to sublet all or any such contracts from time to time and upon such terms and conditions as may be thought expedient.
21. To pay for any properties, rights or privileges acquired by the Company either in shares in the capital of the Company or partly in such shares and partly in cash or otherwise.
22. To borrow or raise and secure the payment of moneys in such manner as the company shall think fit, and in particular by the issue of debenture or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property [both present and future] including its uncalled capital, and to purchase, redeem or pay off any such securities.
23. To receive on deposit account moneys to such extent, for such time and at such rate of interest as the Company may decide from time to time. But the Company will not carry on any Banking business within the meaning of the Banking Companies Regulation Act, 1949.



24. To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures, railway receipts and other negotiable or transferable instruments.
25. To open current or deposit account or accounts with any Individual, firm or company or with any bank or shroffs and to pay into, and to withdraw from such account or accounts the funds of the Company.
26. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock contracts, mortgages, charges, obligations, instruments and securities of any Company or any authority, supreme, municipal, local or otherwise or of any person whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contract or obligation.
27. To establish agencies or branches in India or elsewhere in the world for sales, purchases and distribution or for any purpose of business of the Company, to regulate their working and also to discontinue the same; and to undertake the management of any company or companies having objects altogether or in part similar to those of this Company and to take all necessary steps for registering the Company in any Country as may be thought fit.
28. To transact and carry on all kinds of agency business, by themselves or in partnership with others, or of companies or firms whose objects may be altogether or in part similar to those of this Company.
29. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for cash or for shares, whether fully or partly paid, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
30. To grant pensions or gratuities to and to establish and support or aid in the establishment of associations, institutions, funds, trusts and convenience, calculated to benefit any employees and any directors who hold any office of profit under the company or under a subsidiary thereof or ex-employees as aforesaid of the Company or of any subsidiary thereof, or of any associated or allied company, or the relations, dependents or connections of such employees or ex-employees, and also to provide for the welfare of such persons by building, or contributing to the building of houses, dwellings, or by grants of money, pensions, allowances, or other payments, or by creating, and from time to time subscribing and contributing to provident fund and other associations, institutions, funds and by providing or subscribing or contributing towards places of instruction and recreation, hospitals, dispensaries, medical and other attendance and assistance as the Company shall think fit, and to subscribe or otherwise to assist, or guarantee money to charitable, benevolent, religious, scientific, national, or other institutions or objects, which



shall have any moral or other claim to support or aid by the Company either by reason or locality of operation or of public and general utility or mere expediency or otherwise, and to support and subscribe for trade, commerce or industry, provided that such contribution is likely to be, in the opinion of the Company, in the interests of the company.

31. To establish, provide for, maintain and conduct or otherwise subsidise or become members of, research laboratories, and experimental workshops or scientific and technical research and experiments and to undertake and carry on all scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical investigations, and invention, by providing, subsidising, endowing, or assisting laboratories, workshops, libraries, lectures, meetings, and conferences and by arranging exhibitions, and establishing awards, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and award studies, researches, investigation, experiment, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
32. To aid financially or otherwise any association, body or movement having objects of solution or settlement or surmounting of industrial or labour problems or troubles of the promotion of industry or trade.
33. To adopt such means of making known the products of the Company as may seem expedient, and in particular by advertising in the press, circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards and donations.
34. To appoint and remunerate experts, scientists, engineers, technicians, mechanics, managers, contractors, brokers, canvassers, agents, artisans, officers, accountants, legal advisers, workmen, clerks, artificers, servants, menials and other persons.
35. To pay all the costs, charges and expenses, preliminary and incidental to the promotion, formation, registration and establishment of the Company, in particular to reimburse the promoters for the preliminary expenses and other expenses for purchasing the land for the Company and starting construction thereon in connection with the Company's waste cotton plant.
36. To create any depreciation fund or any reserve fund, sinking fund, insurance fund, or any special or other funds whether for depreciation or repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for any other purpose whatsoever conducive to the interests of the Company.
37. Except in the matter of distributing the profits of the Company by way of dividends, to distribute among the members of the Company in specie any property of Company and in particular any shares, stock, debentures, debenture-stock or securities of other



Companies belonging to the Company or of which the Company has the power of disposal

38. To undertake and execute any trusts the undertaking whereof may seem desirable either gratuitously or otherwise.
39. To do all or any of the above things in any part of the world, and either as principals, agents, contractors, or otherwise and either alone or in conjunction with other and either by or through agents sub-contractors, trustees or otherwise.
40. To dedicate, present or otherwise dispose of, either voluntarily or for value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body museum corporation, or authority or any trustees for and on behalf of any of the same or of the public.

40A. To invest in the share capital of new or existing Company or Companies or joint venture(s) for carrying out such activity or activities, at such time or times as considered appropriate by the Board of Directors of the Company.

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

C. THE OTHER OBJECTS OF THE COMPANY ARE:

1. To carry on the business of calico printers, bleachers, dyers, finishers, calenderers, makers of and dealers in bleaching, dyeing and other chemical materials.
 2. To carry on the business of manufacturers of and dealers in water-proof materials and fabrics, and articles manufactured therefrom, including dressed preservers, dressed lining, boot lining, umbrellas, parasoles etc.
 3. To carry on the business of manufacturers of and dealers in lace, tarpaulins, American cloth, floor cloth, nonwoven cloth, industrial cloth and all kinds of imitation leather and rubbers.
 4. To carry on the business of livestock breeding, poultry and dairy farming.
 5. To generate power by establishing Wind Turbines, Gas Turbines, Solar Power Stations and also generate power from Tidal Waves or by any other method and to sell such power to Tamil Nadu Electricity Board or to any other person, Organisation or Government Body.
- IV. The liability of the members is limited.
- V. The share capital of the Company is Rs.5,00,00,000 divided into 50,00,000 shares of Rs. 10 each.



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★ Clause 40A added by passing a Special Resolution at the 40th AGM of the Company held on 28-9-2014, Subject to the approval of the Registrar of Companies, Coimbatore.

FOR SALEM S. P. RATIO SPINNING MILLS LTD.,


(R.S. SHANMUGAM)
COMPANY SECRETARY.

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

S.No.	Names, Addresses, Descriptions and occupations of Subscribers	No. of Equity Shares taken by each subscriber	Names, Addresses, Descriptions and Occupations of Witnesses
1.	S. P. RATNAM, [Sd.] S/o. S. PALANIANDI MUDALIAR, YARN MERCHANT, 16, MARIMUTHU MUDALI STREET, AMMAPET, SALEM - 3.	50 (Fifty Only)	
2.	S. P. SAMBANDAM, [Sd.] S/o. S. PALANIANDI MUDALIAR, YARN MERCHANT, 11, MARIMUTHU MUDALI STREET, AMMAPET, SALEM - 3.	50 (Fifty Only)	M. SRINIVAS DANGE, S/o. M. NARASIMHA DANGE, CHARTERED ACCOUNTANT, B-8, FAIRLANDS COLONY, SALEM - 636 004.
3.	S. P. RAJENDRAN, [Sd.] S/o. S. PALANIANDI MUDALIAR, YARN MERCHANT, 10, MARIMUTHU MUDALI STREET, AMMAPET, SALEM - 3.	50 (Fifty Only)	
4.	Y. JAGANNATHAM, [Sd.] S/o. Y. VENKATARAYALU NAIDU, YARN MERCHANT, 38, MINT STREET, MADRAS - 3.	50 (Fifty Only)	
		200 (Two Hundred Only)	

Place: MADRAS

Date: THIS 22nd DAY OF OCTOBER 1973

For S. P. RATIO SPINNING MILLS LTD.,




(R.S. SHANMUGAM)
COMPANY SECRETARY

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**ARTICLES OF ASSOCIATION
OF
SAMBANDAM SPINNING MILLS LIMITED**

(Amended upto 28-09-2014)

1. The Regulations of Table A of the First Schedule to the Companies Act, 1956, in so far as they have not been excluded or modified hereunder or are repugnant to the context, shall be applicable to the Company.
- 1.A. The Authorised Share capital of the Company is Rs.5,00,00,000/- divided into 50,00,000 Equity Shares of Rs.10/- each.
2. (i) The maximum and minimum number of Directors of the Company shall be fifteen and three respectively including the Managing Director, whole-time Directors and also Nominee Director(s).
- (ii) Not less than 1/3 of the total number of Directors shall retire by rotation at every Annual General Meeting. However, Nominee Director(s), whole-time Director(s) and Managing Director, need not retire by rotation.
3. A. In these Articles, unless the subject matter or context otherwise requires:

The 'Act' means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.

'Depositories Act' means the Depositories Act, 1996, (22/1996) including any statutory modification or re-enactment thereof for the time being in force.

'Beneficial Owner' shall mean beneficial owner as defined in Clause (a) of Sub-section, (1) of Section 2 of the Depositories Act, 1996.

'Depository' shall mean a depository as defined under Clause (b) of Sub-section (1) of Section 2 of the Depositories Act, 1996.

'Member' means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) in the records of the depositories.



GENERAL AUTHORITY

- 3.B. Wherever in the said Act it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case this Regulation hereby authorises and empowers the Company to have such right, privileges or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation in that behalf herein provided. An illustration of such rights, privileges, authorities and without prejudice to the generality of the foregoing the following are set out with the relevant Sections of the Companies Act, 1956.

Section 76 to pay commission on issue of Shares Debentures.

Section 80 to issue Redeemable Preference Shares.

Section 92 to accept unpaid share capital although not called up.

Section 93 to pay dividend in proportion to amount paid up.

Section 94 to alter the share capital of the Company.

Section 100 to reduce the share capital of the Company.

Section 106 to alter the rights of holder of special class of shares.

Section 208 to pay interest out of capital in certain cases.

Section 265 to adopt proportional representation for the appointment of Directors.

Section 313 authorising the Board to appoint Alternate Directors etc., etc.

SHARES AND SHARE CERTIFICATE

4. (i) The share of the Company shall be under the control and supervision of the Directors who may divide the shares into several classes and subject to the provisions herein contained, may allot, transfer or otherwise dispose of the same to such person or persons and for such consideration, upon such terms and conditions and at such time as the Directors may, in their absolute discretion think fit and such shares may be issued at par/ at a premium.
- (ii) Subject to the provisions of Section 80 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, at the option of the Company, liable to be redeemed on such terms and in such manner as the Company, before the issue of the Shares, may by Special Resolution, determine.
- (iii) The Directors may, with the sanction of an Ordinary Resolution of the Company, increase the Share Capital by such sum to be divided into shares of such amount as the resolution shall prescribe.



- (iv) No person shall be recognised by the Company as holding any share upon trust and the Company shall not, except as required by law, be bound, or compelled to recognise any equitable, contingent, future or partial interest in any shares or any interest in any financial part of share or [except only by these regulations or by law otherwise expressly provide] any other right in respect of any share except an absolute right to the entirety thereof in the Registered Holder.
5. No fee shall be charged for issue of new share/debenture certificate in replacement of those which are old, decrepit or where the pages on the reverse for recording transfer have been fully utilised.
6. Share/Debenture Certificate shall be issued in marketable lots and where share/debenture certificates are issued for either more or less than marketable lots, sub-division or consolidation into marketable lots shall be done free of charge.
6. a. The Company shall be entitled to dematerialise its existing shares and other securities, rematerialise its shares and other securities held in the depositories and/or offer fresh shares and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.
- b. Articles dealing with shares will be applicable only to shares issued in physical form, shares issued and or held in electronic medium in fungible form will be governed by the provisions of the Depositories Act, 1996.
- c. Every person subscribing to shares offered by the Company shall have the option to receive share certificates or to hold the shares with a depository. Such a person who is the beneficial owner of shares can at any time opt out of a depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares.
- If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the shares, and on receipt of the information, the depository shall enter in its record the name of allottee as the beneficial owner of the shares.
- d. All shares held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the shares held by it on behalf of the "beneficial owners".



- e. (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares on behalf of the beneficial owner.
- (ii) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his shares which are held by a depository.
- f. Notwithstanding anything in the Act or these Articles to the contrary, where shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- g. Nothing contained in Section 108 of the Companies Act, 1956 or these articles shall apply to a transfer of shares effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- h. Notwithstanding anything in the Act or these Articles, where shares are dealt with by a depository, the Company shall intimate the details thereof to the depository, immediately on allotment of such shares.
- i. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law, including in any form of electronic media.
- j. The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.
- k. In the case of transfer or transmission of shares, where the Company has not issued certificates and where such shares are being held in any electronic and fungible form in a depository, the provisions of the Depositories Act, 1996 shall apply.
- l. A depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the beneficial owner as per the Register of Beneficial Owners maintained by Depository shall be entitled to such rights in respect of shares held by him in the depository. Any reference to the member or joint members in Article 32 shall include a reference to beneficial owner or joint beneficial owners in respect of "the shares held in a depository".




CALLS

- 7.a. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, (whether on account of nominal value of the shares or by way of premium) and not by the condition of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. Provided, that, in the case of joint-holders of any share in the company, call upon any of them shall be deemed to be a call upon all of the joint holders who shall be bound by the call.
- b. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- c. The joint-holders of shares shall be jointly and severally liable to pay all instalments and calls in respect thereof.
- d. A call may be revoked or postponed at the discretion of the Board.
8. No call shall be made payable within one month after the last preceding call was payable. Not less than thirty days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
- 9.(1) If the sum payable in respect of any call or instalments be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the instalments shall be due shall pay interest for the same at the rate of 12 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- (2) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
10. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.
- 10A The Company may purchase its own shares in accordance with the provisions of Section 88 and other applicable provisions, if any, of the Companies Act 2013 and the rules framed there under including any statutory modification(s) or re-enactment thereof for the time being in force.



Clause 10A added by passing a Special Resolution at the 40th AGM of the Company held on 28-9-2014

Saurandam Spinning Mills Ltd.


P.S. SHANMUGAM
COMPANY SECRETARY

CALLS PAID IN ADVANCE

11. Amounts paid in advance of calls may entail a right for interest but will not confer a right to dividend or to participate in the profits of the company.
12. No member shall be entitled to receive any dividend or exercise any privilege as a member until he shall have paid all the calls for the time being due and payable on every share held by him, whether alone or jointly with any person, together with interest and expenses (if any).

FORFEITURE & LIEN

13. If any member fails to pay any call or instalment of call on or before the day appointed for the payment of the same the Board, may at any time thereafter during such time as the call or instalment remains, unpaid, serve a notice on such member requiring him to pay the same, together with interest accrued and all expense that may have been incurred by the Company by reason of such non-payment.
14. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalments payable will be liable to be forfeited.
15. If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interests and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
16. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forth with be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
17. Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.
18. The Board may, at any time before any share so forfeited shall have been sold, reallocated, or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.



19. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share and all his interest in the shares would stand determined, but shall notwithstanding, remain liable to pay, and shall forth-with pay to the company, all calls or instalments, interest and expenses owing upon or in respect of such share at the time of forfeiture together with interest thereon, from the time of forfeiture until payment at 12 percent per annum and the Board may enforce the payment thereof or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
20. A duly verified declaration in writing that the declarant is a Director, or the Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof shall constitute a good title to such shares, and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposal.
21. The provisions of Articles 15 to 22 hereof shall apply in the case of non-payment of any sum which, by terms of issue of a share, become payable at a fixed time, whether on account of the nominal value of a share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
22. The Company shall have first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration or a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share. "The Directors may at any time declare any shares wholly or in part to exempt from the provisions of this clause"
23. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator,

nominees or other legal representatives, as the case may be and default shall have been made by him or them, in the payment of the moneys called or payable at a fixed time in respect of such shares for fourteen days in case of defaulters in India and twenty-one days in the case of defaulters outside India after the date of such notice. The person buying the shares of such defaulting members shall enjoy all the privileges that a member is entitled to from the date of such purchase.

24. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share on the date of the sale.
25. Upon any sale after forfeiture, or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceeding, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
26. Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such share the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER OF SHARES

27. The Board may, subject to the provisions of Sections 22 (A) of the Securities Contracts (Regulation) Act, 1956, within one month from the date on which the instrument of transfer was lodged with the Company, refuse to register any transfer of shares not fully paid up, upon which the Company has a lien and in the case of shares not fully paid up, may decline to register a transferee of whom the Board does not approve. In case of such refusal, the Company shall give notice of the refusal in accordance with Section 111 (2) of the Companies Act.

The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person(s) indebted to the Company on any account whatsoever.



28. a. No fee shall be charged for transfer of Shares/Debentures or for effecting transmission or for registering any probate, letter of administration and similar other documents.
- b. The shares of the Company shall be transferred in Form - 7B. "The Company shall effect transfer, transmission, sub-division or consolidation within one month from the date of lodgement of the documents".

PROCEEDINGS OF GENERAL MEETINGS

29. a. The Board of Directors will have the authority to convene General Meetings and to fix the day, time, place and Agenda of such meetings.
- b. All the General Meetings of the Company may be convened by giving notice of not less than 21 days. The meeting may be called at Shorter Notice only in terms of and in accordance with the provisions of Section 171 (2) of the Companies Act.
30. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein provided, ten members present in person shall form quorum.
31. The Chairman of the Board of Directors shall preside at General Meeting but if at any meeting he shall not be present within 15 minutes after the time appointed for holding the same or is unwilling to preside the members present shall choose some Director of if no Director be present or if all the Directors present decline to take the Chair, they shall choose some member present to be the Chairman of the meeting.

VOTES OF MEMBERS

32. Subject to any right or restrictions attached to any class or classes of the shares.
- a. On a show of hands every member present in person and being a member registered in respect of Equity Shares shall have one vote, and every person present either as a proxy on behalf of a member registered in respect of Equity Shares, if he is not entitled to vote in his own right, or as a duly authorised representative of a body corporate being a member registered in respect of Equity Shares, shall have one vote.
- b. Save as hereinafter provided, on a poll the voting rights of a member registered in respect of Equity Shares shall be as specified in Section 87 of the Act.
- c. Members entitled to attend and vote at General Meetings of the Company shall have the right to appoint proxies to attend and vote instead of themselves as provided in Section 176 of the Companies Act, 1956.



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- d. No member of the Company shall be entitled to exercise any voting rights either in person or by proxy at any meeting of the company in respect of the Shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

BOARD OF DIRECTORS

33. The Board of Directors will have power to appoint Additional Directors, subject to maximum mentioned above, who shall hold office until the next General Meeting but however such additional Directors shall be eligible for reappointment at the General Meeting.
- 33A. Managing Director of the Company may also be the Chairman of the Board of Directors of the Company.
34. a. In order to be a Director a person need not hold any share in the Company.
- b. The Company shall have power at any time and from time to time to appoint any one or more persons as special and/or wholtime Directors; for such time and on such terms as they may determine. Such Directors shall not be required to hold any qualification shares.
35. Every Director shall be paid a sum of Rs.1000/= or such higher sum to be fixed by the Board from time to time not exceeding the maximum sums as may be prescribed by the Companies Act or the Central Government from time to time, for each meeting of the Board of Directors or of Committee thereof attended by him. The Directors shall also be paid all traveling and other expenses incurred by them in attending and returning from such meetings or in connection with the business of the Company.
36. Subject to compliance with Section 297 of the Act, a Director or his relative, a firm in which such Director or his relative is a partner, any other partner in such firm or private company of which the Director is member or Director, shall be capable of entering into any contract with the company for the sale, purchase, or supply of any goods, materials or services or for underwriting the Company's shares or debentures.
37. Every Director who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement shall disclose the nature of the concern or interest at a meeting of the Board. Such disclosure should be made at the first meeting of the Board held after the Director becomes concerned or Interested or at the meeting of the Board at which such contract or arrangement is taken into consideration. A General Notice given to the Board by Director to the effect that he is a Director or member of a particular Company or firm and is to be regarded as concerned or interested in the contract or arrangement shall be deemed to be a sufficient disclosure. But any such notice shall expire at the end of the financial year in which it is given, which may be



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★ Clause 33A added by passing a Special Resolution at the 40th AGM of the Company held on 28-9-2014


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renewed for a further period of one financial year, by a fresh notice given in the last month of the financial year in which it would otherwise expire.

38. Subject to the provisions of section 314 of the Act, a director may hold any other office under the Company, except that of an Auditor in conjunction with the office of Director, and on such terms as to remuneration and otherwise as the Directors may arrange.

PROCEEDINGS OF BOARD

39. a. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate meetings and proceedings as they think fit.
- b. A meeting of the Board of Directors shall be held at least once in every three calendar months as required by Section 285 or any statutory modification thereof.
40. The quorum for a meeting of the Board of Directors shall be 1/3 of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.
41. All acts done by any meeting of the Board or a committee thereof or any person acting as Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified be valid as if every such Director or such person had been duly appointed and has qualified to be a Director.
42. Save as otherwise expressly provided in the Act, a resolution in writing signed by all the members of the Board or a Committee thereof, for the time being entitled to receive notice of meeting of the Board or Committee shall be as valid and effectual as if it has been passed at a meeting of the Board or Committee duly convened and held.

POWERS AND DUTIES OF DIRECTORS

43. The Management and control of the business of the Company shall be vested in the Directors who may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not by the Act expressly directed or required to be exercised or done by Company in General meeting but subject nevertheless to the provisions of the Act and to any regulation from time to time made by the Company in General Meeting provided that no regulation so made shall invalidate any prior act of the Directors, which would have been valid if such regulation had not been made.



44. The Board of Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors and / or Deputy Managing Director or Deputy Managing Directors of the Company either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office on such terms and conditions as they deem proper and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places. The Board of Directors may fix the remuneration of such managing Directors whether by way of salary or commission or by conferring a right to participate in the profits of the Company or by a combination of both.
45. The Board of Directors may at any time appoint one or more of themselves to be a whole time Director or Directors designated as "Executive Director" of the Company for such period and on such terms and conditions as the Board of Directors may in the interest of the company deem fit.
46. The Board may, subject to the provisions of the Act delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit and or to the Managing Director or Manager or Agent, Any Committee so formed or the Managing Director or Manager shall in the exercise of the powers so delegated conform, to any regulations that may from time to time be imposed upon it or him by the Board.
47. The Board may appoint any person to act as Alternate Director for a Director during the latter's absence for a period of not less than three months from the date on which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meeting of the Board and to attend and vote thereat accordingly, but he shall not be required to hold any qualification shares and shall ipso facto vacate office if and when the absent Director returns to the state in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

DEBENTURE DIRECTOR

48. Any Trust Deed securing and covering the issue of Debentures or Debenture Stock of the Company and a bond or other writing issued or executed by the Company in favour of any creditor of the Company may provide for the appointment of a Director (in these Articles referred to as "The Debenture Director") for and on behalf of the debenture holders or creditor, or holder of such bond, as the case may be for such period as is therein provided, not exceeding the period for which the debentures or any of them or the period during which the amount due to such creditor or any part thereof



or the amount represented by such bond or any part thereof, as the case may be, shall remain outstanding, and for the removal from office of such Debenture Director, and on a vacancy being caused, whether by resignation, death, removal or otherwise, for appointment of another Debenture Director to fill such vacancy. The Debenture Director shall not be liable to retire by rotation or be removed from office except as hereinbefore provided. The Debenture Director shall not be bound to hold qualification shares.

NOMINEE DIRECTOR

49. Notwithstanding any thing to the contrary contained in these Articles so long as any moneys owing by the Company to the Tamil Nadu Industrial Investment Corporation Limited, Madras, The Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India (ICICI), Life Insurance Corporation of India (LIC) and the State Industries Promotion Corporation of Tamilnadu, Madras or to any other Finance Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as TIIC, IDBI, IFCI, ICICI, LIC, SIPCOT and Unit Trust of India (UTI) or any other Finance Corporation or to any other Finance Company or Credit Corporation or Body (each of which TIIC, IDBI, IFCI, ICICI, LIC, UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "THE CORPORATION") continue to hold debentures in the Company by direct subscription or Private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee, whether ordinary or deferred payment, furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall, if so agreed between the Corporation and the Company have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole-time (which director or directors is/are herein after 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 qualification shares 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 obligations as any other director of the Company.



The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as, the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any 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 is paid off or on the Corporation ceasing to hold debenture/s shares in the Company or on the satisfaction of the liability of the Company arising out of any 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 or 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 which the other Director of the company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys 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 or 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/are an officer/s 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 directly to the Corporation.

Provided further that if such Nominee Director/s is/are an officer/s of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same accordingly be paid by the company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such power and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole time Director/s, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.



50. The directors may from time to time raise or borrow any sums of money for and on behalf of the Company from the members or other persons, companies, or banks or any of the Directors on such interest as may be approved by the Directors.
51. The Directors may from time to time secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the company or by mortgage or charge or all or any part of the property of the Company and of its uncalled Capital for the time being.
52. Any debentures, bonds or other securities may be issued at a discount premium or otherwise and with special privileges as to redemption, surrender, drawings, allotment of shares and attending at General Meetings of the Company or otherwise. "Debenture/Debenture stock, Loan/Loan stock, Bonds or other securities conferring the right to allotment or conversions into shares or the option or right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting.

POWERS OF THE MANAGING DIRECTOR

53. Subject to the supervision and control of the Board of Directors of the Company, the Managing Director shall have the General conduct and management of the business and affairs of the Company and the control of its finances and staff of all grades, whatsoever and he shall without prejudice to the general powers conferred hereby, have the following powers without in any way restricting or limiting the General powers hereinbefore conferred.
- a. To buy, sell, exchange and subject to the restrictions containing in Sections 372 and 292 of the Act and subject to the provisions of Section 293 of the Companies Act, 1956, pledge, hypothecate, mortgage, charge, claim and take on lease, all manner of property movable or immovable belonging to the company.
- b. To purchase (with the authority of the Directors and within the limit aforesaid) sell, pledge, endorse, surrender, transfer or otherwise deal with Government Promissory Notes, Bonds, Loan, Scripts and other securities of the Government of India or any Local Government or other securities of any other public authority in India and to collect and give receipts for interest from time to time due or to become due on any such securities.
- c. To make, issue, acquire, use, deal in, pledge, mortgage, sell or negotiate mercantile documents of every kind and description including railway receipts, bills of lading, dock warrants, delivery orders, bonds and other transferable instruments or authorities.



- d. To execute all deeds, agreements, contracts, receipts and other documents, that may be necessary or expedient for the purpose of the Company and to make and give receipts, release and other discharges for moneys or goods or property received in the usual course of business of the Company or lost or payable or belonging to the Company and for the claim and demands of the Company.
- e. To institute, conduct defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings; to sign and verify the pleadings or other documents in connection with such proceedings, to engage and instruct advocates, solicitors and execute vakalathnama or other authorities in their favour.
- f. To attend and vote at all meetings and claims in all bankruptcy, insolvency or liquidation proceedings in which the Company may be interested, in connection with any legal proceedings or reference to arbitration to retain and to sign and give warrants, vakalathnama and other necessary authorities and such retainers and authorities and from time to time and revoke the same.
- g. To enter into, vary, or cancel all manner of contracts on behalf of the Company.
- h. To engage and in his discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, managers, officers both shore based and floating staff, engineers, accountants cashiers, clerks, commission agents, dealers, brokers, foremen, servants, employees or technical or skilled assistants as from time to time may in his opinion be necessary, or advisable in the interests of the Company and upon such terms as, to duration of employment remuneration or otherwise, and may require security in such instances and to such amount as he thinks fit.
- i. Subject to the limits fixed by the Board of Directors
- i) To Invest funds of the Company from time to time and to vary the said investments.
- ii) To make loans of the funds belonging to the Company on such security and on such terms as to interest and repayment as the Managing Director may determine and
- iii) To borrow moneys for the Company's business either on security or otherwise and to execute all necessary documents in connection therewith.
- j. To erect, maintain, repair, equip, alter and extend buildings and machinery.
- k. To 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 he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.



- l. To pay all moneys due by the Company and receive all moneys due to the Company and look after the finance of the Company.
- m. To operate upon and overdraw bank accounts, to sign, make, issue, negotiate, discount, endorse, accept or otherwise, deal in all manner of negotiable instruments including cheques, promissory notes, hundies, bills of exchange and bearer bonds and with the sanction of the Board of Directors arrange credit in cash or in kind, specifying the Bank or Banks with whom the cash credit amount is to be opened and the limit of such accounts.
- n. To draw, accept, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government Promissory Notes, other Government Instruments, bonds, debentures, stocks of corporation, local bodies, port trust, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares of stock certificates of the Government and other local or corporate bodies in connection with the business of the Company.
- o. To receive and give effectual receipt and discharge on behalf of and against the Company for moneys, funds, goods, or property, payable or belonging to the Company or for advances against the goods of the Company, To take or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing Director may deem fit.
- p. To submit to arbitration and enforce the fulfilment of awards, regarding any claims in which the Company may be interested or adjust, settle or compromise or abandon any claims due to or by the Company and to give debtors of the Company time for payment.
- q. To make all manner of insurances.
- r. To delegate to the officers of the Company any of the powers, authorities, and discretions for the time being vested in the Managing Director and also time to time provide by the appointment of an attorney or attorneys, to sign, sell, execute, deliver, register or cause to be registered all instruments, deeds, documents, or writings usually necessary or expedient for any of the purposes of the Company.
- s. To sign, execute, seal, deliver, register or Cause to be registered all instruments, deeds, documents, or writings usual or expedient for any of the purposes of the Company provided that where the Common Seal of the Company is required to be used the said seal shall not be fixed to any instrument except in accordance with the Articles of Association of the Company for the time being in force.



- 54. a. The managing Director shall cause proper and complete books of account of the dealings and working of the Company being kept and shall prepare and keep or cause to be kept or prepared and kept therein complete account of all receipts and disbursements made and moneys received and paid by him on behalf of the Company. He shall also prepare and keep or cause to be prepared and kept such further or other documents as the Company or the Directors from time to time may require.
- b. Subject to the applicable provisions of the Companies Act, 1956, and these Articles and to any contract between the Company and the Chairman, Vice chairman, Managing Director, or a Whole-time Director or such other Directors referred to in these Articles, the remuneration of the Chairman, Vice-Chairman, Managing Director or a Whole-time Director or such other Directors shall from time to time be fixed by the Board of Directors and may be by way of Salary or Commission or participation in profits or by any one or more of these modes; or in any other form recognised by the Companies Act amended /altered from time to time.

SECRETARY

- 55. Secretary may be appointed by the Board of Directors for such term and at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board.

THE SEAL

- 56. The Company shall have Common Seal and the Board shall provide for the safe custody of the Common seal. The seal shall not be applied to any instrument except by the authority of a resolution of the Board or a Committee of Directors authorised by the Board in that behalf, and in the presence of one Director or such other person as the Board may appoint for the purpose and such Director or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

ANNUAL RETURNS

- 57. The Company shall comply with the provisions of Section 159 and 161 of the Act as to the making of Annual Returns.

RESERVES AND DIVIDENDS

- 58. The Company in General Meeting may declare dividend but no dividend shall exceed the amount recommended by the Board.
- 59. The Board may, from time to time as it thinks fit before recommending any dividend, set aside out of the profits of the Company, any sum as Reserve to meet any contingencies or for the liquidation of any debentures, debts or other liabilities of the Company for



The acquisition of Dividend, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may invest the several sums so set aside, upon such investments [other than the share of the Company] as it thinks fit and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserves into such special account as it thinks fit with full powers to employ the reserves or any part thereof in the business of the Company and that without being bound to keep the same separate from other assets. Especially, on recommendation of the Board, the Company in its General Meeting, shall have all the powers for capitalisation of profit and other sums and issue of Bonus Shares to the members as set out in Regulations 98 and 97 of Table A of Schedule I of the Act.

60. Any dividend may be paid within forty-two days from the date of the declaration, by cheque or warrant sent through the post to the registered address of the member or person entitled or in the case of joint-holders, to the registered address of the one whose name stands first on the register of members or to such address of the holder or the joint-holder may in writing direct and every cheque or warrant so sent shall be made payable to the person to whom it is sent.
61. No dividend shall be declared or paid except out of the profits of the Company for the year after providing for depreciation as required by the Act or out of the previous years undistributed profits arrived at after providing for depreciation and no dividend shall carry interest as against the Company.
62. Any money transferred to the unpaid dividend account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund and the provisions of Section 205C of the Companies Act 1956 shall apply accordingly.

BOOKS AND DOCUMENTS

63. The Board shall cause to be kept in accordance with Section 209 of the Act proper books of accounts with respect to:
- all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
 - all sales and purchases of goods by the Company;
 - the assets and liabilities of the Company; and
 - the particulars relating to utilization of material or labour or other items of cost as may from time to time be prescribed in accordance with the provisions of Section 209 (1)(d) of the Act.

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64. The Books of Accounts shall be kept at the Registered Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
65. The Books of account and other books and papers shall be open to inspection during business hours by any Director, Registrar or other officer authorised by the Central Government in this behalf.

BALANCE SHEET AND ACCOUNTS

66. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act, and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215, and 216 and of Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.
67. There shall be attached to every Balance Sheet laid before the Company a report by the Board complying with the Section 214 of the Act.
68. A copy of every Balance Sheet [including the Profit and Loss Account, the Auditors' Report and every document required by the law to be annexed or attached to the Balance Sheet] shall as provided in Section 219 of the Act, not less than twenty one days before the meeting be sent to every such member, debenture-holder, trustee and other Persons to whom the same is required to be sent by the said Section.
69. The Company shall comply with section 220 of the Act as to filing copies of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with the Registrar.

AUDIT

70. Once atleast in every year, the accounts of the Company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet, ascertained by the Auditor or Auditors of the Company.
71. The Company at each annual general meeting shall appoint an Auditor or Auditors to hold office until the next Annual Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act.
72. The Board may fill any casual vacancy in the office of the Auditor except the one caused by the resignation of the Auditor which shall be filled by the Company in General Meeting.

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Article 62 substituted by passing a Special Resolution at the 31st AGM of the Company held on 27-7-2005

Sd/- S. SHANMUGAM

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73. The remuneration of the Auditor shall be fixed by the Company in General Meeting except that the remuneration of an Auditor appointed by the Board which may be fixed by the Board

WINDING UP

74. If the Company shall be wound up whether voluntarily or otherwise, the liquidator may, with sanction of special resolution or any other sanction required by the Act, divide among the members in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the company in trustees upon such trust for the benefit of the members or any of them as the liquidator, with the like sanction, shall think fit

INDEMNITY

75. Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor and other Officer or Servant of the Company shall be indemnified by the Company, against, and it shall be the duty of the Directors out of the funds of the Company to pay all cost, losses and expenses which any such Director, Manager, Auditor or other Officer or Servant may incur or become liable by reason of any contract entered into or act or thing done by him as such Director, Manager, Auditor or other Officer or Servant or in any way in the discharge of his duties including travelling expenses and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Auditor or other Officer in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.
76. Subject to the provisions of Section 201 of the Act, no Director, Manager or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults 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 or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

77. Wherever reference to the Sections, Schedules, Tables, Rules and Regulations under the provisions of the Companies Act 1956 are quoted in the Articles of Association of the Company, the same are deemed to be substituted with the corresponding Sections, Chapters, Schedules, Tables, Rules and Regulations under the provisions of the Companies Act 2013 and the Rules framed there under including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

★ Clause 77 added by passing a Special Resolution at the 40th AGM of the Company held on 28-9-2014

SAMBANDAM SPINNING MILLS LTD.,

SAMBANDAM SPINNING MILLS LTD., SALEM – 636 014.

GIST OF AMENDMENTS MADE TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

A. MEMORANDUM OF ASSOCIATION

S.No.	MEETING	CLAUSE AMENDED	SUBSTANCE OF AMENDMENT
01.	Extra ordinary General Meeting dt. 24-02-95 confirmed by Company Law Board, Southern Region Bench, Madras order CP 360/17/SRB/95 dated 22-6-95	C. The other objects of the Company Addition of Clause 5	Addition: To generate Power by establishing Wind Turbines etc., & to sell such power to TNEB etc.,

B. ARTICLES OF ASSOCIATION

01.	Extra ordinary General Meeting dated 24-02-95	Article 8 : line 2	Replaced : Instead of ' Fourteen days' 'thirty days' substituted.
02.	-do-	Article 22	Inclusion : At the end of the clause ; "The Directors may, at any time, declare any shares wholly or in part to be exempt from the provisions of this clause'
03.	-do-	Article 28 b:	Addition : 'The Company shall effect transfer, transmission, subdivision or consolidation within one month from the date of lodgement of the documents"
04.	-do-	Article 52	Inclusion : At the end of the Article: "Debenture/Debenture Stock, Loan, Loan stock Bonds or other securities conferring the right to allotment or conversions into shares or option or right to call for allotment of shares, shall not be issued except with the sanction of the Company in General Meeting.
05. i.	Annual General Meeting 12-09-01	Article 3 : inserting Art 3A & numbering existing clause as 3B	Defining Depositories Act, Beneficial owner, Depository etc.,
ii.	-do-	Adding clause 6A (Sub clauses a to l)	Relating to dematerialisation of existing equity shares : Stating that shares issued/held in electronic medium will be governed by Depositories Act 1996. Consequential matters.

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

S.No.	Names, Addresses, Descriptions and occupations of Subscribers	No. of Equity Shares taken by each subscriber	Names, Addresses, Descriptions and Occupations of Witnesses
1.	S.P. RATNAM, [Sd.] S/o. S. PALANIANDI MUDALIAR, YARN MERCHANT, 16, MARIMUTHU MUDALI STREET, AMMAPET, SALEM - 3.	50 (Fifty Only)	
2.	S.P. SAMBANDAM, [Sd.] S/o. S. PALANIANDI MUDALLAR, YARN MERCHANT, 11, MARIMUTHU MUDALI STREET, AMMAPET, SALEM - 3.	50 (Fifty Only)	M. SRINIVAS DANGE, S/o. M. NARASIMHA DANGE, CHARTERED ACCOUNTANT, B-8, FARLANDS COLONY, SALEM - 636 004.
3.	S.P. RAJENDRAN, [Sd.] S/o. S. PALANIANDI MUDALLAR, YARN MERCHANT, 10, MARIMUTHU MUDALI STREET, AMMAPET, SALEM - 3.	50 (Fifty Only)	
4.	Y. JAGANNATHAM, [Sd.] S/o. Y. VENKATARAYALU NAIDU, YARN MERCHANT, 38, MINT STREET, MADRAS - 3.	50 (Fifty Only)	
		<u>200 (Two Hundred Only)</u>	

Place: MADRAS

Date : THIS 22nd DAY OF OCTOBER 1973

For SAMBANDAM SPINNING MILLS LTD.,


(R.S. SHANMUGAM)
COMPANY SECRETARY

