

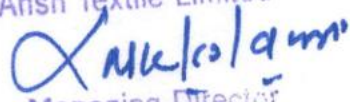
**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**AVI ANSH TEXTILE LIMITED**

***Interpretation***

- I. In these Regulations unless the context otherwise require
  - (a) The Company or this Company means **AVI ANSH TEXTILE LIMITED**.
  - (b) The Act means the Companies Act 2013 and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
  - (c) These Regulations means these Articles of Association as originally framed or as altered from time to time.
  - (d) The Office means the Registered Office for the time being of the Company.
  - (e) The Seal means the common seal of the Company.
  - (f) Words imparting the singular shall include the plural and vice versa words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.
  - (g) Month and year means a calendar month and calendar year respectively.
  - (h) Expression referring to writing shall be construed as including references to printing lithography photography and other modes of representing or reproducing words in visible form.
  - (i) Unless the context otherwise requires the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which these regulations become binding on the Company.
  - (j) The Regulations contained in Table F in Schedule 1 to the Companies Act 2013 shall not apply, except in so far as they are hereinafter expressly made applicable by these Articles and these Regulations shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the company and its members as if they are the terms of an agreement between them.

***Share Capital and Variation of rights***

- II 1. The Authorized Share Capital of the company shall be such amounts and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital whether original or increased or decreased into several classes and attach thereto respectively such ordinary preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

For Avi Ansh Textile Limited  
  
Managing Director

Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose off the same to such persons on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act) provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.

2. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the registration of transfer is received by the Company.
  - a) One certificate for all his shares without payment or
  - b) Several certificates each for one or more of his shares provided that any subdivision consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon. In respect of any share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. If any share certificate be worn out defaced mutilated or torn or if there be no further space on the back for endorsement of transfer then upon production and surrender thereof to the company a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the Company.
4. Except as required by law 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 in any way to recognise (even when having notice thereof) 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 regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5. The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under subsection (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
6. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of Section 48 of the Act, the consent in writing of the holders of three fourths of the

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4/12/2019  
Managing Director

issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *Pari passu* therewith.
8. Subject to the provisions of Section 55 any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.

#### ***Lien***

9. Subject to the provisions of Companies Act 2013, the Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts liabilities and engagements (whether presently payable or not) solely or jointly with any other person to or with the Company whether the period for the payment fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends from time to time declared in respect of shares subject to Section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
10. The Company may sell in such manner as the Board think fit any share on which the Company has a lien provided that no sale shall be made –
  - a) unless a sum in respect of which the lien exists is presently payable or
  - b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the shareholder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. The proceeds of the sale shall be received by the company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable. The residue if any shall subject to a like lien for sums not presently payable as existed upon the shares as the date of sale be paid to the person entitled to the shares at the date of the sale.

#### ***Calls on shares***

13. The Board of Directors may from time to time make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that

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Managing Director

no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. Each member shall subject to receiving at least Fourteen days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by installments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent or at such lower rate if any as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. Any sum which by the terms of issue of a share become payable on allotment or at any fixed date whether on account of the nominal value of the shares or by way of premium shall for purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum all the relevant provisions of these regulations as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. (A) Subject to the provisions of Section 50 and 179 of the Act, the Board –
  - a) May if it thinks fit receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
  - b) If it thinks fit may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at such rate not exceeding unless the Company in general meeting shall otherwise direct 12 (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances Money so paid in advance shall not confer a right to dividend or to participate in profits.

(B) On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share it shall be sufficient to prove that the name of the defendant is or was when the claim arose on the Register of members of the company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter but the proof of the matters aforesaid shall be conclusive evidence of the debt.

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

#### ***Transfer of shares***

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Managing Director

19. (A) The Company shall keep a Register of Transfers and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.  
(B) (1) the instrument of transfer of any securities in the Company shall be executed by or on behalf of both the transferor and the transferee.  
(2) The transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members Securities as the case may be.  
(C) The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.  
(D) Unless the Directors decide otherwise when an instrument of transfer is tendered by the transferee before registering any such transfer the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.
20. The Board of Directors may subject to the right of appeal conferred by Section 58 of the Companies Act 2013 decline to register –  
a) the transfer of a share not being a fully paid up share to a person of whom they do not approve or  
b) any transfer of the share on which the Company has a lien provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.
21. (A) The Board may decline to recognise any instrument of transfer unless-  
a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56.  
b) the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and  
c) the instrument of transfer is in respect of only one class of shares.  
(B) All instruments of transfer which shall be registered shall be retained by the Company but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
22. (a) On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.  
(b) There shall be no charge for  
a) registration of shares or debentures.

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12/12/2019  
Managing Director

- b) sub-division and or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation renewal and pucca transfer receipts into denominations corresponding to the market unit or trading
  - c) subdivision of renounceable Letters of Right
  - d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised
  - e) registration of any Powers of Attorney Letter of Administration and similar other documents.
23. On the death of a member, the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder shall be the only persons recognised by the Company as having any title to his interest in the shares. Nothing in this clause shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the share or to make such transfer of the share as the deceased or insolvent member could have made. The Board shall in either case have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects.  
(ii) If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share.  
(iii) All the limitations restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder 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 before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 (ninety) days the Board may thereafter withhold payment of all dividends bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.
27. The provisions of these Article shall *mutatis mutandis* apply to the transfer of debentures, bonds and other securities of the Company.

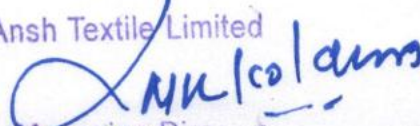
#### ***Forfeiture of shares***

28. If a member fails to pay any call or installment of a call on the day appointed for payment thereof the Board may at any time thereafter during such time as any part of the call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued.

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Managing Director

29. The notice aforesaid shall name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made and state that in the event of non-payment on or before the day so named the shares in respect of which the call was made shall be liable to be forfeited.
30. If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a 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 date of forfeiture which shall be the date on which the resolution of the Board is passed forfeiting the shares.
31. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid the Board may annul the forfeiture on such terms as it thinks fit.
32. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at date of forfeiture were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 (nine percent) per annum. The Liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.
33. A duly verified declaration in writing that the declarant is a director the manager or the secretary of the Company and that a share in the company has 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 share. The Company may receive the consideration if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off. The transferee shall thereupon be registered as the holder of the share. The transferee shall not be bound to see to the application of the purchase money if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.
34. (A) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
- (B) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.
- (C) Upon any sale after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares 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.
- (D) Upon any sale re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any

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Managing Director

shares under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered.

(E) The Directors may subject to the provisions of the Act accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof.

### ***Alteration of Capital***

35. The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution.
36. Subject to the provisions of Section 61, the Company may by ordinary resolution in general meeting:
- a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares.
  - b) sub-divide its shares or any of them into shares of similar amounts than is fixed by the Memorandum of Association so however that in the sub-division the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
  - c) cancel any share which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
37. Where shares are converted into stock the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit Provided that the Board may from time to time fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. The holders of stock shall according to the amount of stock held by them have the same rights privileges and advantages as regards dividends voting at meetings of the Company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.
38. (A). The Company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law its share capital or any capital redemption reserve account or any share premium account. The Company may from time to time by special resolution and on compliance with the provisions of Section 66 of the Act reduce its share capital.
- (B). The Company shall have power to establish Branch Offices subject to the provisions of the Act or any statutory modifications thereof.
- (C). The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.

### ***Capitalisation of profits***

For Avi Ansh Textile Limited  
  
Managing Director

39. (1) The Company in General Meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards –
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively
  - (ii) paying up in full unissued shares of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid or
  - (iii) partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).
- (3) A securities premium account and any capital redemption reserve fund may for the purpose of this regulation only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
40. Whenever such as resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any and do all acts and things required to give effect thereto. The Board shall have full power to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalised of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such members.

#### ***Buy-back of shares***

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities

#### ***General meetings***

42. All General Meetings other than the Annual General Meetings of the Company shall be called Extra-Ordinary General Meetings.
43. (i) The Board may whenever it thinks fit call an Extraordinary General Meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

#### ***Proceedings at general meetings***

For Avi Ansh Textile Limited  
  
Managing Director

44. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.  
(ii) Save as otherwise provided herein the quorum for the general meetings shall be as provided in section 103.
45. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
46. If there is no such Chairman or if he is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting the Directors present shall elect one of their members to be the Chairman of the meeting.
47. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 (fifteen) minutes of the time appointed for holding the meeting the members present shall choose one of their members to be the Chairman of the meeting. No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.
48. No business shall be discussed at any general meeting except the election of chairperson whilst the chair is vacant.

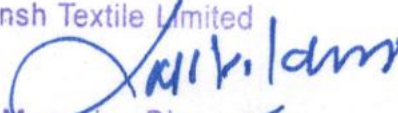
#### *Adjournment of meeting*

49. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more fresh notice of any adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.

#### *Voting rights*

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares, –  
- on a show of hands every member present in person shall have one vote and  
- on a poll the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of joint holders stand in the register of members.
53. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been

For Avi Ansh Textile Limited

  
Managing Director

deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.

54. Any business other than that upon which a poll has been demanded maybe proceeded with pending the taking of the poll.
55. No member shall be entitled to vote at any general meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares on which the Company has exercised any right of lien have been paid.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.  
(ii) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision thereon shall be final and conclusive.

#### ***Proxy***

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given.  
Provided that no intimation in writing of such death insanity revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### ***Board of Directors***

60. (A) Unless otherwise determined by the members of the Company in their General Meeting, the number of Directors of the Company shall not be less than three and not more than fifteen. The following shall be the first directors of the Company-  
(i) Mr. Tushar K. Chandra  
(ii) Mr. Satish Kumar Sharma  
(B) At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
61. (A) In addition to the remuneration payable to them in pursuance of the Act, the remuneration of the directors shall in so far as it consists of a monthly payment be deemed to accrue from day-to-

For **Avi Ansh Textile Limited**  
  
Managing Director

day. In addition to the remuneration payable to them in pursuance of the Act the directors may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company or in connection with the business of the Company.

(B) Subject to the provisions of the Companies Act, 2013 and Rules made there under, each Director shall be paid sitting fees for each meeting of the Board or a committee thereof attended by them as may be decided by the board. The Board of Directors may allow and pay to a director travelling or such other out of pocket expenses as may be incurred in connection with meeting of the Board or a committee thereof.

(C) Subject to the provisions of Section 197 of the Act the Directors shall be paid such further remuneration whether in the form of monthly payment or by a percentage of profit or otherwise as the Company in General Meeting may from time to time determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may from time to time determine and in default of such determination shall be divided among the directors equally or is so determined paid on a monthly basis.

(D) Subject to the provisions of Section 197 of the Act if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house medical aid and free conveyance) as the Board may determine from time to time.

62. (A) The Board may pay all expenses incurred in getting up and registering the Company.

(B) If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures the persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.

(C) In the course of its business and for its benefit the Company shall subject to the provisions of the Act be entitled to agree with any person firm corporation government financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government authority person firm institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death resignation or otherwise the government authority person firm institution or corporation who appointed such Nominee Director may if the agreement so provide appoint another Director in his place.

(D) Subject to the provisions of Section 161 of the Act the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.

(E) The Directors shall have power at any time and from time to time to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall held office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

For Avi Ansh Textile Limited

  
Managing Director

- (F) A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.
- (G) Every nomination appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.
63. The Company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
64. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments and all receipts for monies paid to the company shall be signed drawn accepted endorsed or otherwise executed as the case may be by such person and in such manner as the Board shall from time to time by resolution determine.
65. Every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement shall disclose his/ her concern or interest in the manner prescribed under the Companies Act, 2013.
66. (i) Subject to the provisions of Section 149, the Board shall have power at any time and from time to time to appoint a person as an additional director provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

#### ***Proceedings of the Board***

67. (A) The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings as it thinks fit. A director may and the manager or secretary on the requisition of a director shall at any time summon a meeting of the Board.
- (B) Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength the number of the remaining Directors that is to say the number of directors who are not interested present at the meeting being not less than two shall be the quorum during such time.
- (C) The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.
68. (a) Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairperson of the Board if any shall have a second or casting vote.
- (B) If a meeting of the Board could not be held for want of quorum whatever number of Directors not being less than two shall be present at the adjourned meeting notice where of shall be given to all the Directors shall form a quorum.

For Avi Ansh Textile Limited  
  
Managing Director

- (C) The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General meeting of the Company but for no other purpose.
69. The continuing directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the company but for no other purpose
70. (A) The Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office. If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one of their members to be Chairman of the meeting  
(B) Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of vote.  
(C) In case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
71. Subject to the restrictions contained in Section 179, 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may from time to time revoke such delegation and discharge any such committee of the Board either wholly or in part and either as to persons or purposes but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board.
72. A committee may elect a chairman of its meetings. If no such chairman is elected or if at any meeting the chairman is not present within five minutes of the time appointed for holding the meeting the members present may choose one of their members to be chairman of the meeting.
73. A committee may meet and adjourn as it think proper. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman shall have a second or casting vote.
74. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to act as such or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles be as valid as if every such person had been duly appointed had duly continued in office was qualified had continued to be a Director his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
75. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing signed by the majority members of the Board or of a committee thereof for the time being entitled to receive notice of a meeting of the Board or

For Avi Ansh Textile Limited  
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Managing Director

committee shall be as valid and effectual as if it had been passed at a meeting of the Board or committee duly convened and held.

76. The meeting and proceedings of any such committee shall be governed by the provisions of these presents for regulating the meetings and proceedings of directors, so far as the same are applicable thereto and duly in compliance with the provisions of the Companies Act, 2013 or any other applicable law.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

77. Subject to provisions of Sections 196, 197 and other applicable provisions of the Act, the Board of Directors may from time to time appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him may revoke such appointment and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act provided that a Director so appointed shall not be whilst holding such office be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director. Subject to the provisions of the Act, a chief executive officer manager company secretary or chief financial officer may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.
78. (A) The Board may entrust and confer upon Managing Directors or whole time Directors any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit subject always to the superintendence control and direction of the Board and the Board may from time to time revoke withdraw alter or vary all or any of such powers.
- (B) Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board.
- (C) A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer manager company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as or in place of Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

***The Seal***

79. (1) The Board shall provide a common seal for the purposes of the Company and shall have power from time to time to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
- (2) Subject to any statutory requirements as to Share Certificates or otherwise the seal of the company shall not be affixed to any Instrument except by the authority of a 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 two directors and of the secretary or such other person as the Board may appoint for the purpose and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

***Dividends and Reserve***

For Avi Ansh Textile Limited  
  
Managing Director

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
82. (i) The Board may before recommending any dividend set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board be applicable for any purpose to which the profits of the company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may from time to time thinks fit.  
(ii) The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.
83. (i) Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares.  
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
84. The Board may deduct from any dividend payable to any member all sums of money if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
85. (i) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.  
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
86. Any one of two or more joint holders of a share may give effective receipts for any dividends bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.

#### **Accounts**

89. The Board shall cause proper books of accounts to be maintained under Sections 128 129 of the Act. The Board shall from time to time determine whether and to what extent and at what times

For Avi Ansh Textile Limited  
  
Managing Director

and places and under what conditions or regulations the accounts and books of the Company or any or them shall be open to the inspection of members not being Directors. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### ***Winding up***

90. Subject to the provisions of Chapter XX of the Act and rules made thereunder If the company shall be wound up the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the members in specie or kind the whole or any part of the assets of the company whether they shall consist of property of the same kind or not. For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### ***Indemnity***

91. Subject to the provisions of the Companies Act, 2013, every officers of the Company shall be indemnified out of the assets of the Company against any bonafide liability incurred by him in defending any bonafide proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 463 of the Companies Act 2013 in which relief is granted to him by the Court or the Tribunal.

#### ***Others***

92. (A) Subject to the provisions of law of land and the act every manager auditor trustee member of a committee officer servant agent accountant or other persons employed in the business of the company shall if so required by the Board of Directors before entering upon his duties sign declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals 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 his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

(B) Borrowing Powers: Subject to the provisions of Sections 73, 76, 179 and 180 of the Act and the Regulations thereunder and Directions issued by the RBI, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property (both present and future) or any part thereof and to issue debentures debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit subject to the provisions of Section 73 76 of the Act and rules framed there under. All cheques promissory notes drafts hundis bills of exchange and other negotiable instruments and all receipts for monies paid to the company shall be signed drawn accepted endorsed or otherwise executed as the case may be by such person and in such manner as the Board shall from time to time by resolution determine.

For Avi Ansh Textile Limited  
  
Managing Director

(C) The Company shall be entitled to dematerialize its existing shares, reconvert its shares held by the depositories electronically to physical form and/or to offer its fresh shares in electronic form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(D) The Company may amalgamate or cause itself to be amalgamated with any other person firm or body corporate subject however to the provisions of Sections 230 to 232 of the Act.

(E) Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act 1953 of the death of any member of or debenture holder in the company it shall furnish to the controller within the meaning of such section the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due as the case may be.

(F) The Company shall incur liability whatever in consequence of its registering or giving effect to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company though not bound so to do shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

For Avi Ansh Textile Limited  
*Mulani*  
Managing Director