



ARTICLES OF ASSOCIATION

SUBHASH SILK MILLS PRIVATE LIMITED

deleted under application
418786 of sec-43A (1-A)

Asstt. Registrar of Companies
(Maharashtra, Bombay)

For Asstt. Supdt. of Stamps,
Bombay.

PRELIMINARY

1. The regulations contained in Table "A" in the First Schedule to the Companies Act 1956, shall not apply to this Company, but the regulations for the management of the company, and for the observance of the Members thereof and their representatives shall, subject to any exercise of the statutory powers of the company in reference to the repeal or alteration of, or addition to its regulations in the manner prescribed by the Companies Act 1956, be such as are contained in these Articles.

Table "A" not to apply but the Company to be governed by these Articles.

INTERPRETATION

2. In the interpretation of these Articles, the following expression shall have the following meanings unless repugnant to the subject or context:

Interpretation clause.

- (a) "The Company" or "This Company" means SUBHASH SILK MILLS PRIVATE LIMITED.
- (b) "The Act" or "The said Act" includes the Companies Act, 1956, (Act I of 1956) and any statutory modification thereof for the time being in force.
- (c) "These present" means and includes the Memorandum and Articles of Association of the Company.
- (d) "The Register of Members" or "The Register" shall mean the Register of Members to be kept as required by Section 150 of the Act.
- (e) "Debenture Register" shall mean the Register of holders of Debentures to be kept as required by Section 152 of the Act.
- (f) "Dividend" includes Bonus.
- (g) "Month" shall mean calendar month.
- (h) "Paid up" shall include credited as paid up.
- (i) "Seal" shall mean the Common Seal of the Company.
- (j) "Office" shall mean the Registered Office of the Company for the time being.

- "The Company" or "This Company".
- "The Act".
- "These Presents".
- "The Register".
- "Debenture Register".
- "Dividend".
- "Month".
- "Paid up".
- "Seal".
- "Office".

"Special Resolution" and "Ordinary Resolution".

(k) "Special Resolution" and "Ordinary Resolution" shall have the meanings assigned thereto respectively by Section 189 of the Companies Act 1956.

"Executors or Administrators".

(l) "Executors or Administrators" shall mean a person who has obtained Probate or Letters of Administration, as the case may be, from some competent Court having effect in the Republic of India and shall include the holder of a Certificate granted under the Indian Succession Act, 1925 authorising the holder thereof to negotiate or transfer the share or shares of the deceased member and shall also include the holder of a certificate granted under the Indian Succession Act, 1925, authorising the holder thereof to negotiate or transfer the share or shares of the deceased member and shall also include the holder of a certificate granted by the Administrator General of Bombay under Section 31 of the Administrator General's Act, 1913.

"Directors".

(m) "Directors" means the Directors of the Company.

"In writing" or "Written".

(n) "In writing" or "written" means written or printed, or partly printed, lithographed or typewritten or reproduced in any mode in a visible form.

"Shareholders" or "Members".

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

(p) Words and expressions which shall have a special meaning assigned to them in the Act shall have the same meaning in these presents.

(q) Words importing the singular number only shall include the plural and vice-versa.

(r) Words importing the masculine gender only shall include the feminine gender.

(s) Words importing individuals shall include body corporate and firms. Marginal notes hereto shall not affect the construction hereof.

PRIVATE COMPANY

3. The Company is to be private company and accordingly;

(a) The number of Members (exclusive of persons who are for the time being in the employment of the Company and of persons who having been formerly in the employment of the Company were members of the Company while in the employment and have continued to be members after the

employment ceased) is not to exceed fifty, but where two or more members, hold one or more share in the company jointly they shall, for the purpose of this paragraph, be treated as a single member.

- (b) Any invitation to the public to subscribe for any shares or debentures of the Company is hereby prohibited.
- (c) The right of transfer of shares shall be restricted as is hereinafter provided.

CAPITAL

4. The Authorised Share capital of the Company is Rs. 10,00,000/- Capital. (Rupees Ten lakhs) divided into (10,000) (Ten thousand) Equity shares of Rs. 100/- (Rupees One hundred) each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being.

SHARE CAPITAL AND VARIATION OF RIGHTS

5. Regulations 2 to 8 of Table A shall apply.

SHARES

6. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons and on such terms and conditions as they think fit.

Share under the control of Directors.

7. The business of the Company may be commenced as soon after incorporation of the Company as the Directors think fit and notwithstanding that part only of the shares may have been allotted.

Commencement of business.

8. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, every such instalment shall, when due be paid to the Company by the persons who for the time being and from time to time shall be registered holders of the share, or their legal representatives.

Instalment on shares to be duly paid.

LIEN

9. Regulations 9 to 12 of Table A shall apply.

CALLS ON SHARES

10. Regulations 13 to 18 of Table A shall apply.

TRANSFER AND TRANSMISSION OF SHARES ETC.

11. The Company shall keep a register called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares in the Company.

12. A share may be transferred by the member or other persons entitled to transfer the same, to any member selected by the transferor but save as aforesaid, and save as provided by Articles 17 to 19 hereof no share shall be transferred to a person who is not a member so long as any member is willing to purchase the same at the fair value.

13. Except where the transfer is made pursuant to Articles 17 to 19 hereof, the person proposing to transfer any share (hereinafter called "the proposing transferor") shall give notice in writing (hereinafter called a "Transfer Notice") to the Company that he desires to transfer the same. Such notice shall specify the sum he fixes as the fair value, and shall constitute the company his agent for the sale of the share to any member of the Company or person selected as aforesaid willing to purchase the share (hereinafter called "the purchasing member") at the price so fixed, or, at the option of the purchasing member, at the fair value to be fixed by the auditor in accordance with clause 15 hereof. A Transfer Notice may include several shares and in such case shall operate as if it were a separate notice in respect of each share. A Transfer Notice shall not be revocable except with the sanction of the Directors.

14. If the Company shall, within the space of twenty eight days after being served a Transfer Notice, find a purchasing member and shall give notice thereof to the proposing transferor, he shall be bound, upon payment of the fair value as fixed in accordance with articles 13 to 15 hereof, to transfer the share to the purchasing member.

15. In case any difference arises between the proposing transferor and the purchasing member as to the fair value of a share, the auditor shall on the application of either party, certify in writing the sum which, in his opinion, is the fair value and such sums shall be deemed to be the fair value, and in so certifying, the auditor shall be considered to be acting as an expert, and not as an arbitrator and accordingly the Arbitration Act, 1940 shall not apply.

16. If in case the proposing transferor after having become bound as aforesaid, makes default in transferring the share, the company may receive the purchase money, and the proposing transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer of the shares to the purchasing

Register of
Transfers.

Share to be
transferred only
to member.

Notice to transfer
or sale.

Company to find
purchaser.

The fair value

Transferor's
default in
completing
sale.

member, and upon the execution of such transfer the Company shall hold the purchase money in trust for the proposing transferor, the receipt of the Company for the purchase money shall be a good discharge to the purchasing member, and after his name has been entered in the register of members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

17. If the Company shall not, within the space of twenty eight days after being served with a Transfer Notice, find a purchasing member and give notice in manner aforesaid the proposing transferor shall at any time within three months afterwards be at liberty subject to these Articles, to sell and transfer the share, or where there are more shares than one, those not placed, to any person and at any price.

Company's failure to find purchaser.

18. The Company in general meeting may make and from time to time vary rules as to the mode which any shares specified in any transfer notice shall be offered to the members, and as to their rights in regard to the purchase thereof, and in particular may give any member or class of members a preferential right to purchase the same. Until otherwise determined, every such share shall be offered to the members in such order as shall be determined by lots drawn in regard thereto and the lots shall be drawn in such manner as the Directors may think fit.

Company's power to make rules as to mode of sale.

19. Any share may be transferred by a member to any child or other issue, father, mother, brother, wife or husband of such member and any share of a deceased member may be transferred by his executors or administrators or other legal representatives subject to the approval of the Directors to any child or other issue, father, mother, brother, widow or widower of such deceased member to whom such deceased member may have specially bequeathed the same and where there has been no bequeathed the same and where there has been no bequeathed of his share by a deceased member, such shares may be transferred to the legal representative of such member.

Member may transfer or bequeath shares to specified relatives.

20. No shares shall be transferred to a minor or a person of unsound mind or otherwise incompetent to contract.

Shares not to be transferred to minor or person of unsound mind

21. No shares shall be transferred to any person who is an undischarged bankrupt or insolvent.

Shares not to be transferred to bankrupt or insolvent.

22. The executors or administrators of a deceased member shall be the only persons recognised by the Company as his legal representatives and as having any title to his shares or other interest in the Company, except in the case of joint holders of shares, in which case the surviving holder or holders or the executors or administrators of the last surviving holder shall be the only person so recognised, but nothing herein

Legal representatives.

contained shall release the estate of the deceased joint holder from liability in respect of shares jointly held by him. The Company shall not be bound to recognise any such executor or administrator unless he shall have obtained Probate of the Will or Letters of Administration to the property and credits, or other legal representation as the case may be to the state of the deceased member from a competent Court in India; Provided nevertheless that in special cases and in such only, it shall be lawful for the Directors to dispense with Probate of the Will or Letters of Administration or other legal representation upon such terms as to indentify and otherwise as the Directors think fit.

Transmission Clause.

23. Any person becoming entitled to the shares of a member in consequence of the death or bankruptcy of such member, may subject to these Articles, upon producing such evidence that he sustains the character in which he proposes to act under this clause or of his title to the shares, as the Directors think sufficient, be registered as a member in respect of such shares if the Directors think fit to do so, or may subject to these Articles, transfer such shares in the manner and subject to restrictions specified for transfer of shares.

Transfer by non-member's legal representative valid.

24. A transfer of shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative be not himself a member, be as valid as if he had been a member at the time of execution of the transfer.

Right of Directors to refuse to register transfer not prejudiced.

25. Nothing in the foregoing Articles, shall prejudice any right of the Directors under the Articles, to refuse to register the transfer of or the transmission by operation of law of the right to any shares or interest of a member in, or debentures of the Company.

Directors' power to refuse to register transfer.

26. The Directors, may without assigning any reason refuse to register any transfer of shares or other interest of a member in or the debentures of the Company and shall refuse to register any transfer of shares on which the Company has a lien, or shares which have become liable to be forfeited.

Directors' power to refuse to register transmission.

27. The Directors may without assigning any reason, refuse to register the transmission by operation of law of the right to any shares or other interest of a member in or the debentures of the Company and shall refuse to register any transmission by operation of law of the right to any shares on which the Company has a lien or which have become liable to be forfeited.

Notice of refusal to register.

28. When in exercise of their power to refuse to register the Directors refuse to register any such transfer or transmission of the right, the Directors shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, delivered to the Company send notice of the refusal to the transferor

and the transferee or to the person giving intimation of such transmission as the case may be, and the relevant provisions of section 111 of the Act shall apply.

29. Regulations 25 to 28 of Table A shall apply.

FORFEITURE OF SHARES

30. Regulations 29, 30 and 31 of Table A shall apply.

31. Any shares so forfeited shall be deemed to be the property of the Company, and the Directors may sell, or otherwise dispose of the same in such manner as they think fit.

Forfeited shares to become property of Company.

32. The Directors may, at any time before any shares so forfeited shall have been sold as aforesaid, re-allot or otherwise dispose of or annul the forfeiture thereof upon such conditions as they think fit.

Power to annul forfeiture.

33. Regulations 33 to 35 of Table A shall apply.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

34. Regulations 44, 45 and 46 of Table A shall apply.

35. The Company may, by special resolution confirmed by an order of the Court, modify the conditions contained in its Memorandum of Association so as to re-organise its share capital whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class and every resolution so passed shall bind all shareholders of that class. The provisions of section 331 of the Act shall be complied with whenever the Company avails itself of the power herein contained.

Subdivision and consolidation of shares.

MODIFICATION OF RIGHTS

36. Subject to the provision of section 106 of the Act if at any time, the capital by reason of issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified, abrogated or dealt with by consent of holders of at least three-fourths of the issued shares of that class. The rights and privileges attached to each class of shares may also be modified, commuted, affected or abrogated in the manner provided in the Act and the authority in this behalf is hereby expressly reserved.

Power to modify rights

BORROWING POWERS

37. The Directors may, from time to time, at their discretion borrow or secure the payment of any sum or sums of money for the purposes of

Power to borrow.

the Company but so that the provisions of section 292 of the Act shall be complied with.

Conditions on which money may be borrowed.

38. The Directors may subject to Article 37 raise or secure the payment of such sum or sums 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 debenture stock or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Securities may be assignable free from equities.

39. Debentures, debenture-stock or other securities may be made assignable free from any equity between the company and the persons to whom the same may be issued.

Issues at discount etc. or with special privileges.

40. Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise.

Mortgage of uncalled capital.

41. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may subject to the provisions of section 292 of the Act, make calls on the members in respect of such uncalled capital and keep the moneys obtained on such call in trust for the mortgage and utilise the same according to the directions of the mortgagee.

REGISTRATION OF CHARGES

Registration of charges.

42. Where a charge of the nature referred to in section 125 of the Act is created, the Company shall within 30 days after its creation, file the prescribed particulars of the charge along with the instrument by which the charge is created or evidence or a verified copy thereof with the Registrar or Companies in accordance with the provisions of section 125 of the Act. The Company shall also duly comply with the relevant provisions of Part V of the Act in connection with registration of the charges.

Register of charges.

43. The Company shall maintain a Register of Charges in accordance with the provisions of section 143 of the Act.

GENERAL MEETING

44. Regulations 47 and 48 of the Table A shall apply.

Notice of meeting.

45. At least seven clear days notice of meeting of the Company specifying the day and hour and place of meeting, and the object thereof shall be given. In every such notice calling a meeting of the Company, there shall appear a statement that a member is entitled to appoint a

proxy to attend and vote instead of himself. A general meeting may be called after giving a notice shorter than seven days if consent is accorded there to in case of an Annual General Meeting by all the Members entitled to vote thereat and in case of any other meeting by members holding not less than 75 per cent of such part of the paid-up share capital as gives a right to vote at the meeting.

46. Notice of every meeting of the Company shall be given to the members of the Company and to the auditor or auditors for the time being of the Company. Such notice shall be given by the Company to the members and auditors or auditors by delivering to him or to them personally or by sending it to him or to them by post to his or their address registered in the books of the Company.

Notice how to be given.

47. The accidental omission to give notice to or the non receipt of notice by any member or members or the auditor or auditors shall not invalidate the proceedings at the meeting.

As to the omission to give notice.

PROCEEDINGS AT MEETING

48. Regulations 49 to 55 of Table A shall apply.

VOTES OF MEMBERS

49. Regulation 56 to 63 of Table A shall apply.

DIRECTORS

50. Unless otherwise determined by a general meeting, the number of Directors of the Company shall not be less than two and not more than seven. The Company may from time to time in General Meeting increase or reduce the number of Directors and may make appointments necessary for effecting such increase.

Number of Directors.

The First Directors of the Company are:

First Directors.

NAMES OF THE DIRECTORS

1. Sh. Dhananjay Pral Mehra
2. Sh. Ved Prakash Mehra
3. Sh. Rav Prakash Mehra

51. No body corporated, associate or firm shall be appointed Director of the Company and only an individual shall be so appointed.

Only individuals to be Directors.

52. The Director of the Company collectively are referred to in these Articles as the "Board of Directors" or "Board" or simply as Directors.

Board.

POWERS AND DUTIES OF DIRECTORS

Business of the Company to be managed by Directors.

53. The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting up and registering the Company and may exercise all such powers of the Company as are not by the said Act or by any statutory modification thereof for the time being in force or by these Articles required to be exercised by the Company in general meeting subject nevertheless to any regulation of these Articles, to the provisions of the said Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the company in general meeting; but no resolution made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Managing Director.

54. The Directors may from time to time appoint one of their body to the office of Managing Director on such terms and conditions and at such remuneration whether by way of salary or commission, or participation in profits or partly in one way and partly in another, as they may think fit and a Director so appointed shall not while holding that office be subject to retirement by rotation or taken into account in determining *ipso facto* if he ceases from any case to be a Director.

Alternate Director.

55. (i) The Board may appoint an alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India.

(ii) An alternate Director appointed under subclause (i) shall vacate office if and when the Original Director returns to India.

(iii) If the term of office of the Original Director is determined before he so returns to India as aforesaid, any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original and not to the Alternate Director.

No qualifying shares.

56. The Directors shall not be required to hold any qualifying shares.

Remuneration of Directors

57. The remuneration of each Director for his attendance at Board or Committee Meetings shall be such sum not exceeding Rupees Two Hundred and Fifty for each meeting of the Board or of the Committee of the Board attended by him, as may, from time to time, be fixed by the Board. This shall be in addition to his other remuneration, if any, that may be paid to any one or more of its number for services rendered by him or them in signing the Share Certificates in respect of the Company's capital or any debentures issued by the Company. The Directors shall be paid such further remuneration (if any) as the Company in General Meeting shall from time to time determine; and such additional remuneration and further remuneration shall be divided among the Directors

in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided among the Directors equally.

58. If any Director be called upon to perform extra services or 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 arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Special remuneration of Director performing extra services.

Provided however that no Director shall have a service Agreement with the Company unless all other Directors agree in writing or at a meeting.

59. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for money paid to the Company's contracts shall be signed, drawn, accepted, endorsed, negotiated or otherwise executed by such persons and in such manner as the Board shall from time to time by resolution determine.

Authority to sign and/or to negotiate cheques etc.

60. Regulations 65, 71 and 72 of Table A shall apply.

ROTATION OF DIRECTORS

61. The Directors of the Company, except the Managing Director and the First Directors, shall be liable to retire by rotation and such Directors save as otherwise provided by the Act shall be appointed by the Company in General Meeting.

Rotation and retirement of Directors.

62. (i) At the first Annual General Meeting of the Company and at every subsequent Annual General Meeting, one third of such of the Directors for the time being are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

Number of Directors to retire.

(ii) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Which Directors to retire.

(iii) At the Annual General Meeting at which a Director retired as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

Filling up vacancy.

Retiring Directors
to remain in
office till
successor
appointed.

(iv) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place. If at the up and that meeting also has not expressly resolved not to fill up the adjourned meeting also the place of the retiring Directors is not filled vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting.

63. Regulations 73 to 81 of Table A shall apply.

MANAGER OR SECRETARY

†4. Regulations 82 and 83 of Table A shall apply subject to the provisions of section 197 (a).

THE SEAL

Custody of
Seal

65. The Board shall provide for the safe custody of the Seal, and the Seal of the Company shall not be affixed to any instrument other than the share certificates of the Company except by the authority of a resolution by the Board of Directors and in the presence of one Director or such other person or persons as the Board may appoint for the purpose and the Director or other persons as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence. The Seal of the Company shall be affixed to the share certificates of the Company in the manner provided by the Companies Issue of Share Certificates Rules, 1960.

DIVIDENDS AND RESERVE

66. Regulations 85 to 94 of Table A shall apply.

ACCOUNTS

67. Regulations 95 of Table A shall apply.

AUDIT

Appointment
of Auditors.

68. Auditors of the Company shall be appointed and their qualifications, remuneration, rights and duties regulated in accordance with sections 224 and 225 of the Act or any statutory modification thereof for the time being in force.

Remuneration
of Auditors

69. The remuneration of the auditors of the Company will be fixed by the Company in General Meeting, except that the remuneration of any auditors appointed to fill a casual vacancy may be fixed by the Directors.

CAPITALISATION OF PROFITS

70. Regulations 96 and 97 of Table A shall apply.

NOTICES

71. (1) Each holder of shares and each Director shall notify in writing to the Company his address for the purpose of service of notice or documents on him.

How notice to be served.

(2) A notice or document may be given or served by the Company to any Member or Director either personally or by sending it by post to his address registered in the books of the Company.

(3) Where a notice or document is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter be delivered in the ordinary course of post.

72. If a Member or Director has not supplied to the Company his address for the purpose of service of notices and documents on him, a notice addressed to him and advertised in one newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be due and proper notice given to such Member or Director on the day on which such advertisement appears.

Notices when address not given.

73. Any notice by a Court of Law or otherwise required or allowed to be given by the Company to the Members or Directors or any of them by advertisement shall be deemed to be sufficiently advertised, if advertised once in one of the daily newspapers in Bombay.

Notice by Court of Law and other notice.

74. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first in the Register in respect of the shares held jointly.

Notice to joint holders.

75. The signature to any notice given by the Company may be written or printed.

How notice to be signed.

76. Where a given number of days notice or a notice extending over any other period, is required to be given, the day of service shall, unless it is otherwise provided, be out counted nor shall the day for which notice is given be counted.

Computation of the days of service.

WINDING UP

77. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the

Distribution of assets.

commencement of the winding up, on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the share held by them respectively.

Distribution of
assets in specie

78. If the Company shall be wound up whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributors in specie or kind, any part of the assets of the Company and may, with the sanction of a special resolution, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators shall think fit.

Nothing herein contained shall prejudice the powers of the liquidator or the rights of a contributory under section 439 of the Act or the rights and powers of the Company or its members under section 391 of the Act

INDEMNITY

Directors' and
others' right to
indemnity

79. Subject to the provisions of the Act, and so far as such provisions permit, every Director, Managing Director, Manager, Auditor, Secretary, and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors to pay out of the funds of the Company, all costs, losses and expenses any such officers or servant may incur or become liable to by reason of any contract entered into or acts, deeds or things done or executed by him as such officer or servant, or in any way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority over all other claims.

Individual
responsibility of
Directors and
others

80. Subject to the Provision of the Act, and so far as such provisions permit, no Director, Managing Director, Manager, Auditor, Secretary or other Officer or servant of the Company shall be liable for the acts, receipts, neglects or default of any other Director or officer or servant or for joining in any receipt or other act for conformity, or for any loss expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors of the Company for or on behalf of the Company, or for the insufficiency of any security in or upon which any of the moneys of the Company shall be invested or lent or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any moneys securities or effects shall be deposited, or for any loss occasioned by any

error of judgment or oversight on his part or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own negligence, misfeasance, default, breach of duty or breach of trust.

ARBITRATION, COMPROMISE AND ARRANGEMENT

81. The Company shall have the power by written agreement and in accordance with the Arbitration Act, 1940 to refer to arbitration any existing or future difference between itself and any Company, firm or person or authority. The provisions of section 389 of the Act shall apply to such arbitration.

Power to refer to arbitration.

82. The Company shall have the power to enter into a compromise or an arrangement with its members or any class of members and with its creditors or any class of creditors and for the purposes of such compromise or arrangement, the Company shall observe and perform all the conditions of section 391 of the Act and the provisions of section 393 and 394 of the Act in so far as they are applicable to a private company (not being a subsidiary of a public company) shall apply accordingly.

Power to enter into compromise or arrangement.

83. The provisions of section 394 and 395 in so far as they are applicable to a private company shall apply to all proceedings for reconstruction of the Company or its amalgamation with another company, without intervention of the Central Government. Nothing herein contained shall in any manner prejudice the power of the Central Government to provide the amalgamation of the Company with another company in national interest.

Provisions for reconstruction.

SECRECY

84. Subject to the provisions of the Act, every Director, Managing Director, Managing Auditor, Secretary, Trustee, Member of Committee, Officer, servant or other person employed in the business of the Company shall when required sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto and in all technical matters concerning equipment and process, 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 so to do by the Directors or the Auditors or by a resolution of the Company in General Meeting or by a Court of Law, or by the persons to whom such matter relate, and except so far as may be necessary in order to comply with any of the provisions in these presents contained. Nothing contained herein shall affect the powers of the Central Government to inquire or hold an investigation into the Company's affairs.

Pledge to observe secrecy.

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

Name, description, address and occupation of the subscriber	Number of Equity shares taken by each subscriber	Witnesses
1. Shri Dharam Pal Mehta / Late Sh. Ram Kishan Mehta "Prem Kirti" 171, Back Bay Corporation Bombay 20. "Industrialist" S. J. Mehta	20 (Twenty shares)	Mr. Satish Kumar Mehta s/o Sh. Shri Kishan Mehta Jivans Vibas, 110 Street Flat no: 84, m.m. Road. Back Bay ARTICLED APPRENTICE
2. Shri V. S. Prabhakar Mehta / Late Sh. Ram Kishan Mehta "Prem Kirti" 111, Back Bay Corporation Bombay 20. "Industrialist" Ved Prabhakar Mehta	20 (Twenty shares)	Satish Kumar Mehta

Bombay dated 9th October 1920

Witnesses

Handwritten mark