

The Kapol Co-operative Bank Ltd.,
Kalbadevi Branch, 19/21,
Picket x Road,
Kapol Bank Building,
Kalbadevi, Mumbai-400002.
D-5/STP(V)/C.R.1061/03/05/1981-84



For The Kapol Co-operative Bank Ltd.

Besee
Authorised Signatory



THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
PRODUCTIVE ENGINEERS (I) PRIVATE
LIMITED.

1. The regulations contained in Table "A" in Schedule I to the Companies Act, 1956 (hereinafter referred to as "Table A") shall apply to this Company in so far as they are applicable to a Private Company which is not a subsidiary of a public company and save and is so far as they are expressly or impliedly excluded or modified by the following Articles.
2. Regulations 40 to 43, 64, 66, 71 and 84 in Table A and the proviso to clause (1) to Regulation 13 in Table A shall not apply to the Company.

Private Company

3. The Company is a private company within the meaning of Section 3(1)(iii) of the Companies Act, 1956 and accordingly:
 - (a) The right to transfer shares of the Company is restricted in manner hereinafter prescribed.
 - (b) The number of members of the Company (exclusive of persons who are in the employment of the Company and persons who having been formerly in the employment of the Company while in that employment and have continued to be members after the employment ceased) shall be limited to fifty; provided that where two or more persons hold one or more shares in the Company jointly they shall, for the purpose of this regulation, be treated as a single member.
 - (c) Any invitation to the public for any shares in or debentures of the Company is prohibited.
 - (d) Any invitation or acceptance of deposits from persons other than the Company's members, directors or their relatives is prohibited.

Director

Capital

4. (a) The Authorised Share Capital of the Company will be such amount and such description as shall have been stated in Clause V of the Memorandum of Association of the Company from time to time.
- (b) Minimum paid up Capital of the Company shall be Rs. 1,00,000/- (Rupees One Lac only).

Increase of capital by the company and how carried into effect

5. The Company in General Meeting may from time to time increase its share capital by the creation of new shares; such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Board shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company. Whenever the capital of the Company has been increased under the provisions of the Article, the Directors shall comply with the provisions of Section 97 of the Act.

Shares under controls of Directors

6. Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot, issue or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of section 79 of the Act) at a discount and at such times as it may from time to time think fit and proper. The Company may at any time issue any shares which are redeemable in accordance with and subject to the provisions of Section 80 of the Companies Act, 1956.
7. The Board may, subject to the provisions of the Act and these Articles allot and issue shares in the capital of the company as consideration of any property sold or transferred or services rendered to the Company in the conduct of the business and any shares, which may be so issued shall be deemed to be partly of fully paid up shares as the case may be.

Calls on shares

8. The Board may from time to time, make calls upon the members in respect of any money unpaid on their shares, on such terms and conditions as the Board may deem fit.

Buy Back of Shares

9. Notwithstanding any thing contained in these Articles and in pursuance of Sections 77A, 77AA & 77B of the Act, the Company may when thinks fit, buy back such of the Company's own shares or other securities as it may consider appropriate subject to such limits, restrictions, terms and conditions, approval as may be required under the provisions of the Act.



Transfer of shares

10. The right of members to transfer their shares shall be restricted in the manner and to the extent provided in these articles.
11. Except as hereinafter provided no shares in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
12. Every Member who intends to transfer shares shall give notice in writing to the Board his intention. That notice shall constitute the Board as his agent for the sale of the said shares in one or more lots at the discretion of the Board to members of the Company at a price to be agreed upon by the Vendor and the Board, or in default of agreement, at a price which the Auditor of the Company for the time being shall certify, by writing under his hand, to be, in his opinion, the fair selling value thereof as between vendor and a willing purchaser.
13. Upon the price being fixed as aforesaid, the Board shall forthwith give a written notice to all the Members of the Company (excluding the Vendor) of the number and price of the shares to be sold and invite each of them to state in writing within twenty-one days from the date of the aforesaid notice whether he is willing to purchase any, and if so, what maximum number, of the said shares.
14. On the expiry of the said twenty-one days, the Board shall allocate the said shares to or amongst the Member(s) who shall have expressed his or their willingness to purchase as aforesaid and (if more than one) so far as may be, pro-rata, according to the number of shares already held by them respectively, provided that no Member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid.
15. In the event of the whole of the said shares not being sold under sub-clause (13) of this Articles, the Board may, at any time within 60 days after the expiration of the said period of 21 days, arrange to transfer the shares not so sold or any part thereof at the price aforesaid to any person, whether an existing member of the Company or not.
16. Upon such allocation being made as referred to in sub-clause (13) hereof, or on the Board arranging to transfer the shares as mentioned in sub-clause (14) read with clause (15) hereof, the vendor shall be bound on payment of the said price, to transfer the shares to the purchaser or purchasers and, if he makes default in so doing, the Board may receive and give a good discharge for the purchase money on behalf of the vendor and enter the name of the purchaser or purchasers in the register as holder or holders by transfer of the shares purchased by him or them.
17. In the event of the whole of the said shares not being sold under the aforesaid provision, the vendor may, after he has transferred such of the shares sold as aforesaid to the purchaser or purchasers, but, in any event, within 45 days from the expiry of the said period of 60 days referred to in sub-clause (15) hereof, transfer the shares not so sold to any person, and at any price.
18. Restriction as to transfer shall not apply to transfer of shares by a member to any child or other issue, son-in-law, daughter-in-law, father, mother, brother, sister, wife or husband of such members, and any shares of a deceased member to whom such deceased member may have specifically bequeathed the same the shares standing in the name of the such deceased member or his executors or administrators may be transferred to the trustee of his will and shares standing in the name of the trustee of the will of any deceased member may be transferred upon any change of trustee to the trustees for the time being of such will. A



member may be by way of gift or otherwise, transfer any shares to any child, father, brother, sister, husband and wife of such members.

19. The Board of Directors may on behalf of the Company and its own absolute and uncontrolled discretion, and without assigning any reason, decline to register or acknowledge any transfer or transmission of shares (whether fully paid up or not and notwithstanding that the proposed transferee be already a member) but in such case it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the proposed transferee and the transferor notice of the said refusal to register such transfer.

Meetings of members

20. The Company shall in each year hold a General Meeting in addition to any other meetings in that year. All General Meeting other than Annual General Meeting shall be called Extra-ordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report and the Register of Directors' shareholdings which Register shall remain open and accessible during the continuance of the meeting.

Notice of meetings

21. Seven days' notice at least of every General Meeting, Annual or Extra-ordinary, and by whatsoever called (exclusive both of the day on which the notice is served or deemed to be served, and of the meeting) specifying the day, place and hour of the meeting and the general nature of the business to be transacted thereat shall be given to such persons as are under the Act entitled to receive such notice from the Company. Provided however, a meeting may be called at shorter notice than seven days, if not less than three-fourths of the members of the Company as are entitled to receive such notice give consent in writing to such short notice.

Section 173 not to apply

22. The provisions of Section 173 of the Act shall not apply with respect to the general meetings (including extra-ordinary general meetings) of the Company.

Directors

23. Until otherwise determined by the Company in General Meeting, the number of the Directors shall not be more than twelve and not less than two.

24. The Directors shall not be liable to retire by rotation.

Appointment of Alternate Director

25. The Board may appoint an Alternate Director to act for a Director during his absence for a period of not less than three months from the State in which the meeting of the Board are ordinarily held. Every such Alternate



Director, shall subject to his giving to the company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purpose of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held. If the terms of office of the Original Director is determined before he returns to the State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Directors powers to fill casual vacancies and to add to the Board

26. The Board shall have power at any time and from time to time appoint any other qualified persons to be an additional Director, provided that the total number of Directors shall not at any time exceed the maximum fixed under the Articles. Any such additional Director shall hold office only up to the date of the next Annual General Meeting but shall be eligible for re-appointment as a Director.
27. The Board shall have power at any time and from time to time to appoint any person to be a Director to fill up a casual vacancy. Any person so appointed shall hold office up to which the Director in whose place he is appointed would have hold office if it has not been vacated by him.

No Share qualification for Directors

28. No share qualification shall be necessary for any Director.

Permanent Directors

29. The First Directors of the Company shall be

VINOD PUKHRAJ MEHTA

SURENDRA RAGHVENDRA SALVI

30. The aforesaid persons shall remain as Directors for their respective life times or until voluntarily resigning their office and shall be entitled to nominate their successors either by writing or a will and such successors shall be entitled to appoint their successors, and so on, the intention being that the aforesaid three person or person(s) nominated by them and / or their successors shall at all times be entitled to act as the Directors of the Company.

Nominee Director

31. Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution or any person or persons (hereinafter referred to as "the lender") for borrowing any money or for providing any guarantee or security, the such lender shall have if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may agree that any such

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Director or Directors may be removed from time to time by the lender entitled to appoint or nominate them and the lender may appoint another or others in his or their place and also fill any vacancy hold that office for any reason whatsoever. The directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the other Directors of the Company, including payment of remuneration and traveling expenses to such Directors, as may be agreed by the Company with the lender.

Debenture Director

32. If it is provided by the 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 issue of debentures, the person or 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 Debenture Director. A Debenture Director may be removed from office at any 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, nor shall be bound to hold any qualification shares.

Managing Director / Whole-time Director

33. Subject to the provisions of the Act and of these Articles, the Board of Directors may from time to time appoint one or more of their body to be Managing Director or Managing Director(s) and / or Whole-time Director or Whole-time Director(s) of the Company for a term not exceeding ten years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.
34. Subject to the provisions of the Act and of these Articles, the Managing Director or the Whole-time Director shall not while he / they continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the Directors liable to retire by rotation or the number of Directors to retire, but he shall, subject to the terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other directors of the Company .
35. The remuneration of a Managing Director or Whole-time Director shall from time to time be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in the Act.
36. Subject to the provisions of the Act and to the restrictions contained in these articles the board may, from time to time, entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable by the Board under these articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient and it may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers .


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Remuneration to Directors

37. The Board of Directors may fix such remuneration from time to time to be paid to the Directors of the Company, as they think fit, subject to Section 314 of the Act, if applicable.
38. The Board may from time to time sanction that the Company shall pay each Director Fee up to Rs. 10,000/- or the maximum sum as may be prescribed under the Companies Act, 1956, from time to time for attending meetings of the Board of Directors or any Committee thereof.

Common Seal of the Company

39. The Board of Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and shall provide for the safe custody of the Seal. The seal of the Company shall not be affixed to any deed or other instrument except by the authority or resolution of the Board or Committee of the Board authorized by it in that behalf, and except in the presence of at least one Director as the Board may appoint for the purpose and the Director aforesaid shall sign every deed or other instrument to which the Seal of the Company is so affixed in his presence. Such signature shall be conclusive evidence of the fact that the seal has been properly affixed. Provided nevertheless that certificates of shares or debentures may be sealed and signed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules 1960.
40. The Company may, subject to the provisions of the Act, have for use in any territory, district or place not situate in the Union of India, an official seal which shall be facsimile of the Common Seal of the Company with the addition on its face of the name of the territory, district or place where it is to be used.

Secrecy

41. No member shall be entitled to require or receive any information concerning the business, trading or customers of the Company, or any trade, secret process used by the Company, beyond such information as to accounts and business of the Company as is by these presents or by the Act directed to be laid before the Company in General Meeting.
42. Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, Agent, Officer, Servant, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts 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 so to do by the Board or by law or by the person to whom such matters relate, except so far as may be necessary in order to comply with any of the provisions in these presents contained.

Indemnity

43. Subject to the provisions of the Act, every Director, manager and other officer or any person (whether officer of the Company or not) employed by the Company, or as an auditor, or servant of the Company shall be



indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted by the Court.

44. Subject to the provisions of Section 201 of the Act no director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by error of judgement, omission, default or oversight, on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

Winding up

45. 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 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 amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. But this article is without prejudice to the rights of the holders of shares issued upon special terms and conditions. If the Company shall be wound up whether voluntarily or otherwise, liquidators may with the sanction of a Special Resolution, divide amongst the members, in specie or kind part of the assets of the Company as the liquidators, with the like sanction shall think fit.



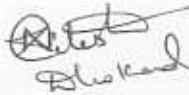

General Authority

46. Whenever in the Companies Act, it has been provided that the Company would carry out any transaction only if the Company is so authorized by its Articles, and in that case this Regulation hereby authorizes and empowers the Company to have such right, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.


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We, the several persons whose names, addresses and occupations are hereunder subscribed below, are desirous of being formed into a Company in pursuance of these Articles of Association:-

Name, address, description and occupation of each subscribers	Signatures of Subscribers	Signature, name. Address, description and occupation of the witness
<p>1) Vinod P. Mehta s/o Pukhraj Mehta ADD: Room No 501, Shivsmurthi Hsg. Soc. Bldg No 4, 5th Floor, Dr. B. D. Marg, Mumbai - 400002. Occ: Businessman.</p>		
<p>2) Surendra R. Salvi s/o. Raghavendra R. Salvi APP. Flat NO 302, 3rd Floor, Jaswandi, Voltas Employees chs. Vasant Vihar, Pokhavan NO. 2 thane (W). 400 601 Occ : Business man.</p>		
<p>3) Nitesh Dhokad S/o :- Kantilal Dhokad Add :- E-1/502 5th Floor, Bharat Nagar CHS., Grant Road, Mumbai :- 400 007. Occ :- Businessman</p>		<p>to the subscriber No. 1 To H.</p>
<p>4) Dimple V. Mehta. W/O :- Vinod P. Mehta. ADD :- Room No- 501, Shivsmurthi Hsg. Soc, Bldg. No - 4, 5th Floor, Dr. B. D Marg, Mumbai :- 400008 Occ :- House - Wife.</p>	<p>Dimple Mehta.</p>	<p>Witness Name: Arvind S. Jain. s/o :- Samrathmal T. Jain. Occ: Profession Address: C-12, Bharat Nagar, Grant Road, Mumbai - 7</p> 

Place: MUMBAI

 Date: 15/02/2007