

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION
OF
PANAFIC INDUSTRIALS LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to member's resolution passed at the Extra Ordinary General Meeting held on 10th March, 2015 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

PRELIMINARY

Interpretation

- I. 1. In these regulations:
- (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
 - (b) "Articles" means these articles of association of the Company or as altered from time to time.
 - (c) "Auditors" means and includes those persons appointed as such, for the time being, by the Company, under the relevant section or sections of the Act.
 - (d) "Board of Directors" or "Board", means the collective body of the Directors of the Company.
 - (e) "Company" means Panafic Industrials Limited.
 - (f) "Directors" means a Director appointed to the Board of the Company.
 - (g) "Independent Director" shall have the meaning as prescribed to it in the Act.

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Director

- (h) "Key Managerial Personnel" means the Chief executive officer or the managing director; the company secretary; whole-time director; chief financial officer; and such other officer as may be notified from time to time in the Rules.
- (i) "National Holiday" means the day declared as national holiday by the Central Government.
- (j) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act and shall include such rules as may be amended from time to time.
- (k) "the seal" means the common seal of the company.
- (l) "The Companies Act 2013" "The said Act" or "The Act" and reference to any section or provision thereof respectively means and includes the Companies Act, 2013 and any statutory modification thereof for the time being in force, and reference to the section or provision of the said Act or such statutory modification.
- (m) "Office" means the registered office, for the time being, of the Company.
- (n) "the Registrar" means, the concerned Registrar of Companies of the state, in which the Registered Office of the Company is, for the time being, situated.
- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- (3) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

II. SHARE CAPITAL AND VARIATION OF RIGHTS

1. The Authorized Capital of the Company shall be such amount 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 Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

2. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose off 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 and at such time as they may from time to time think fit.

3. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

4. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

(a) Equity Share Capital:

(i) with voting rights; and / or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and

(b) Preference Share Capital

5. Subject to any statutory or other requirement having the force of law governing the issue and signatures to and sealing of certificate to shares and applicable to this Company for the time being in force the certificate of title to shares and the duplicate thereof when necessary shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (1) two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and (2) the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials used for the purpose.

6. (i) Every member shall be entitled without payment to the certificate for all the Shares of each class or denomination registered in his name, or if the Board, so approve (upon paying such fees as the Board may from time to time determine) to several certificates, each for one or of such Shares and the Company shall complete such certificate within two months after the allotment or such period as may be determined at the time of the issue

Santosh Kumar

Director

of such capital whichever is longer or within one month after registration of the transfer thereof as provided by Section 56 of the Act. Every certificate of shares shall have its distinctive number and be issued under the Seal of the Company and shall specify the number and denoting number of the shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Board shall prescribe or approve.

(ii) 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.

7. (i). Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof.

(ii). Notwithstanding anything contained herein, in the case of transfer of shares or other marketable securities where the Company has not issued any Certificates and where such shares or other marketable securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply. Further, the provisions relating to progressive numbering shall not apply to the shares of the Company which have been dematerialized.

B. (i). If any share certificate be worn out, defaced, destroyed, 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 without any fee or upon payment of such other fee as may be determined by the Board. Provided that no fee shall be charged for issue of new certificate in replacement of those which are old, worn, decrepit or where the cages on the reverse for recording transfers have been fully utilized.

(ii) The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any

Santhosh Kumar

other securities including debentures (except where the Act otherwise requires) of the Company.

(iii) Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorized by the Board in that behalf.

9. Except as required by law, no person shall be recognized 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 recognize (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.

10.(i).The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 Act and the Rules.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules.

(iii) 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.

11. (i) 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, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii). 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.

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly 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.

13. 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.

14.(1) "In accordance to the provisions of the Section 62 of the Act" and the applicable Rules, the Board or the Company, as the case may be, may, issue further shares to -

(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

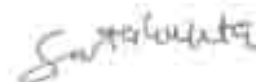
(b) employees under any scheme of employees' stock option; or

(c) Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

(2) "In accordance to the provisions of the Section 23 of the Act" and the applicable Rules, further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement.

15. Subject to the provisions of the Act and other applicable provisions of Law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.

16. The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.

 Director

III. LIEN

17. (i) The Company shall have a first and paramount lien-

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company;

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

(iii) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

18. The Company may sell, in such manner as the Board thinks fit, any shares 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.

19. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may

Satya Kumar

Director

be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(iv) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

20. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

21. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall constitute a good title to the share and the purchaser shall be registered as the holder of the share.

22. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

23. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

IV. CALLS ON SHARES

24. (i) Subject to the provisions of Section 49 of the said Act, the Board may, from time to time, by means of resolution passed at its meetings make such calls as they may think fit upon the members in respect of moneys unpaid on the share held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board. A call may be made payable by installments:

Santa Lucia

Provided that 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.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(iv) A call may be revoked or postponed at the discretion of the Board.

25. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

27. (i) 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 per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

28. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the 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.

(ii) 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.

29. The Board.

Santibañez

Director

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

30. 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, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

31. All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

32. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as hereinafter provided.

33. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

V. TRANSFER OF SHARES

34. (i) The Company shall keep a book called the 'Register of Transfers' and therein shall be fairly and distinctly entered the particulars of transfer of any share in the Company. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

Santosh

Director

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iii) In the case of joint shareholding all the joint holders should sign the instrument to transfer the shares or to split the shares into individual holding. However, no instrument of transfer is necessary where there is only transposition of names of the joint holders.

35. The Board may, subject to the right of appeal conferred by Section 58 decline to register:

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

36. (i) No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. Every instrument of transfer (which shall be in the form specified in the Rules) shall be duly stamped, dated and shall be executed by or on behalf of the transferor and the transferee and in the case of a share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, several executors or administrators of a deceased member proposing to transfer the shares registered in the name of such deceased member shall all sign the instrument of transfer in respect of the share as if they were the joint-holders of the share. The instrument of transfer shall specify the name, address and occupation, if any, of the transferee.

(ii) The Board may decline to recognize 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.

(iii). If the Company refuses to register the transfer of any shares, the Company shall within one month from the date on which the instrument of transfer is lodged with the Company, send to the Transferee and the Transferor notice of the refusal as provided in Section 58 (1) of Companies Act, 2013.

Santosh Kumar

Director

(iv). In the case of the death of any one or more of the persons named in the Register as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of the deceased joint-holder from any liability on the shares held by him jointly with any other person.

(v) 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.

37 (i). On giving not less than seven days' previous notice in accordance with Section 91 and rules made there under, 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.

(ii). The Directors shall have power on giving seven days' notice by advertisement as required by Section 91 of the Act to close the Transfer Book and Register of Members of such period or periods of time in every year as to them may seem expedient, but not exceeding 45 days in any year and not exceeding 30 days at any one time.

38. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

VI. TRANSMISSION OF SHARES

39. (i) 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 recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) 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.

Santakumar

Director

40. (i) 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—

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) 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.

(iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

41. (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.

42. 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

43. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

VII. FORFEITURE OF SHARES

44. 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.

45. The notice aforesaid shall:

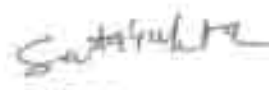
(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and a place or places on or before and at which the money due as aforesaid is to be paid; and

(b) 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.

46. 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 and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture.

47. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

48. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.



Director

49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

50. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

51. (i) 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 monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

(iii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

52. (i) 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.

(ii) 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, re-allotted or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) 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 off the share.

53. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

54. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

55. The provisions of these Articles 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.

56. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

VIII. ALTERATION OF CAPITAL

57. The Company may subject to the provisions of Section 61 and by passing Ordinary Resolution alter the conditions of its Memorandum of Association as:

- (a) To increase its share capital by such amount as it thinks expedient by issuing new shares;
- (b) To consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act.

(c) To convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) To Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; 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;

(e) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

58. Where shares are converted into stock:

(a) 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.

(b) Notice of such conversion of shares into stock or reconversion of stock into shares shall be filed with the Registrar of Companies as provided in the said Act.

(c) 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.

(d) Such 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.

59. The Company may, by Special Resolution, reduce in such manner specified in the Act and subject to such consents as may be required under any other law for the time being in force, reduce in any manner:

(a) Its share capital;

(b) Any capital redemption reserve account;

- (c) Any share premium account; or
- (d) Any other reserve in the nature of share capital.

IX. CAPITALISATION OF PROFITS

60. (1) The Company by an ordinary resolution in general meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize 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

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst 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 provision contained in clause (iii), either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) 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;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(3) The Securities Premium Account and the Capital Redemption Reserve Account for the purpose of this regulation, be applied in paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

4) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

61. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorize 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 capitalization, 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 capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

X. BUY-BACK OF SHARES

62. 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.

XI. GENERAL MEETINGS

63. All general meetings other than annual general meeting shall be called extraordinary general meeting.

64. (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.

XII. PROCEEDINGS AT GENERAL MEETINGS

65. (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) The quorum for a general meeting shall be as provided in the Section 103.

66. (i) The Chairman/ Chairperson, if any, of the Board shall preside as the Chairman/Chairperson at every general meeting of the Company.

(ii) The Chairman be permitted to hold the position of both the Chairman of the Board and/or General Meeting as well as Managing Director/ CEO/ equivalent position thereof in the Company as per the recommendations of the appropriate committee of the Directors and approved by the Board of Directors and as permitted by applicable laws from time to time

67. If there is no such Chairman, or if he is not present within fifteen minutes after 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 Chairman of the meeting.

68. If at any meeting no director is willing to act as Chairman/ Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairman/ Chairperson of the meeting.

XIII. ADJOURNMENT OF MEETING

69. (i) The Chairman may, with the consent of a majority of the members personally present at any meeting, adjourn such meeting from time to time and from place to place in the city, town or village where the Registered Office of the Company be situated. A resolution passed at an adjourned meeting of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

XIV. VOTING RIGHTS

70. Subject to any rights or restrictions for the time being attached to any class or classes of shares,

(a) on a show of hands, every member present in person shall have one vote; and

(b) 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.

71. A member may exercise his vote at a meeting by electronic means in accordance with the Section 108 and shall vote only once.

72. (i) 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.

(ii). For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

73. 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.

74. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

75. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

76. (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 Chairperson of the meeting, whose decision shall be final and conclusive.

XV. PROXY

77. (i) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

(ii) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.

78. An instrument appointing a proxy shall be in the form as prescribed in the Rules.

79. 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.

XVI. BOARD OF DIRECTORS

80. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

81. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company shall have the power to increase the number of Directors beyond 15 after passing a Special Resolution.

82. (i). A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the Rules for attending each meetings of the Board or Committee thereof; or of any other purpose whatsoever as may be decided by the Board.

(ii) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(iii) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

(iv) No Director of the Company be required to hold any qualification shares.

(v) The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Directors in terms of these articles not exceeding such amount as is permissible under the act and the Rules.

The remuneration to Directors shall be paid in accordance with section 197 and section 198 read with rules made in this respect.

(vi) The Board of Directors may allow and pay to any Director fair compensation for his travelling and other expenses incurred in connection with the business of the Company including attendance at meeting of the Board or Committee thereof.

83. The Company may exercise the powers conferred 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.

84. (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 or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

XVII. PROCEEDINGS OF THE BOARD

85. (i) A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the

Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business.

(ii). The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board meetings through such video conferencing or other permitted means the procedures and the precautions as laid down in the relevant Rules shall be adhered to. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.

(iii) Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by the hand deliver or by post or through electronic means.

(iv) The quorum for a Board meeting shall be as per the provisions of section 174 of the Act and the directors participating by video conferencing or by other permitted means shall also counted for the purposes of this Article.

(v) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

86. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

87. 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.

88. (i) The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairman is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairman of the meeting.

89. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and all acts done by any such Committee in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.

90. (i) A committee may elect a Chairman of its meetings.

(ii) If no such Chairman is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

91. (i) A committee may meet and adjourn as it thinks fit.

(ii) 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 Chairperson shall have a second or casting vote.

92. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

93. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

**XVIII. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY
OR CHIEF FINANCIAL OFFICER**

94. Subject to the provisions of the Act:

(i) 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;

(ii) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

95. 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.

XIX. THE SEAL

96. (i) The Board shall provide for the safe custody of the seal.

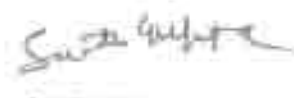
(ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint 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.

XX. DIVIDENDS AND RESERVE

97. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

98. 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.

99. (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



Director

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, think 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.

100. (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.

101. 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.

102. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe 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.

103. 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.

104. Notice of declaration of any dividend whether interim or otherwise shall be given to the persons entitled to share therein in the manner as prescribed in the Act.

105. No dividend shall bear interest against the Company.

XXI. ACCOUNTS

106. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

(ii) 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 authorized by the Board or by the Company in general meeting.

XXII. WINDING UP

107. Subject to the provisions of Chapter XX of the Act and rules made there under—

(i) 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.

(ii) 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.

(iii) 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.

XXIII. INDEMNITY

108. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

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For Panapic Industries Limited
Santakumar Director

CERTIFIED TRUE COPY