

L&amp;S:DG:stkex/RO

4<sup>th</sup> August, 2022

<b>National Stock Exchange of India Limited,</b> "Exchange Plaza" 5 <sup>th</sup> Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 NSE Scrip Code – SKFINDIA	<b>BSE Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001  <b>BSE Scrip Code -500472</b>
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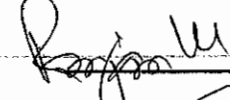
Dear Sir,

**Sub : Intimation of Shifting of Registered Office of the Company effective 1.1.2020.**

This has reference to our letter reference no. Stkex/330 & 331 dated 19<sup>th</sup> October, 2020 and 27<sup>th</sup> October, 2020 for Shifting of Registered Office of the Company effective from 1<sup>st</sup> January, 2020. This is to inform you that we have received Fresh Certificate of Incorporation pursuant to the approval of the Regional Director, Western Region, Ministry of Corporate Affairs vide its Order dated October 01, 2020 for shifting the Registered Office of the Company within the same State (Maharashtra) from the jurisdiction of one Registrar of Companies to the jurisdiction of another Registrar of Companies i.e. from "Mahatma Gandhi Memorial Building, Netaji Subhash Road, Charni Road, Mumbai 400 002" to "Chinchwad, Pune 411 033".

As per Regulation 30, we submit herewith a copy of altered Memorandum of Association of the Company giving effect of New Registered Office address upon receipt of the Fresh Certificate of Incorporation from the Registrar of Companies, Ministry of Corporate Affairs.

Kindly take the same on record

Yours faithfully,  
SKF India LimitedRanjan Kumar  
Company Secretary & Compliance Officer**SKF India Limited**

Registered Office: Chinchwad, Pune 411 033, Maharashtra, India

Tel: +91 (20) 6611 2500. Web: [www.skf.com](http://www.skf.com), [www.skfindia.com](http://www.skfindia.com) email id: [investors@skf.com](mailto:investors@skf.com)

CIN: L29130PN1961PLC213113



# SKF India Limited




MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION



*Handwritten signature*  
*11/11*  
  
*dy*

**SKF India Limited**  
**Mumbai**

**MEMORANDUM OF ASSOCIATION**

**AND**

**ARTICLES OF ASSOCIATION**



सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

PCNTDA Green Building, BLOCK A, 1st & 2nd Floor Near Akurdi Railway Station, Akurdi, Pune, Maharashtra, India, 411044

Corporate Identity Number: L29130PN1961PLC213113

SECTION 12(5) OF THE COMPANIES ACT, 2013

**CERTIFICATE OF REGISTRATION OF THE ORDER OF REGIONAL DIRECTOR CONFIRMING TRANSFER OF  
THE REGISTERED OFFICE WITHIN THE SAME STATE**

"M/s SKF INDIA LIMITED" having by Special Resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the jurisdiction of RoC - Mumbai, Mumbai to the jurisdiction of RoC - Pune, Pune and such alteration having been confirmed by an Order of the Regional Director and Form INC-22 filed in this office on 09/06/2022.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Pune this Fifteenth day of July Two thousand twenty-two Wagh Tushar Mohan.

DS Ministry  
of corporate  
affairs 7

Wagh Tushar Mohan

Registrar of Companies  
RoC - Pune

Mailing Address as per record available in Registrar of Companies office:

SKF INDIA LIMITED

Chinchwad, Pune, Pune, Maharashtra, India, 411033



No. 11- 11980.

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,  
MUMBAI.

In the matter of SKF BEARINGS INDIA LIMITED

I hereby approve and signify in writing under Section 21  
of the Companies Act, 1956 (Act of 1956) read with the  
Government of India, Department of Company Affairs,  
Notification No. G.S.R. 507E dated the 24th June 1985 the  
change of name of the Company.

from SKF BEARINGS INDIA LIMITED

to SKF India Limited

and I hereby certify that SKF BEARINGS INDIA LIMITED

which was originally incorporated on TWELFTH  
day of APRIL <sup>1951</sup> Under the Companies Act, 1956 and under the name  
ASSOCIATED BEARING COMPANY LIMITED having  
duly passed the necessary resolution in terms of section 21/22/(1)  
(a)/22(1) (b) of the Companies Act, 1956 the name of the said  
Company is this day changed to SKF India Limited

and this  
certificate is issued pursuant to Section 23(1) of the said Act/

Given under my hand and seal at MUMBAI this NINETEENTH  
day of MAY

1985 TWO THOUSAND EIGHT



(H. V. CHAKRANARAYAN)  
By Registrar of Companies  
Maharashtra, Mumbai.

No. 11980 / TA

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA, BOMBAY.

In the matter of \* ASSOCIATED BEARING COMPANY LIMITED.

I hereby approve and signify in writing under Section 21 of the Companies Act, 1956 (Act I of 1956) read with the Government of India, Department of Company Affairs Notification No. G.S.R. 507B dated the 24th June 1985 the change of name of the company from

ASSOCIATED BEARING COMPANY LIMITED.

to SKF BEARINGS INDIA LIMITED.

and I hereby certify that ASSOCIATED BEARING COMPANY LIMITED, which was originally incorporated on TWELFTH day of APRIL 1961 under the \*\* COMPANIES Act 1956 and under the name ASSOCIATED BEARING COMPANY LIMITED, having duly passed the necessary resolution in terms of section 21 / 22(1)(a) / 22(1)(b) of the Companies Act, 1956 the name of the said company is this day changed to SKF BEARINGS INDIA LIMITED, and this certificate is issued pursuant to section 23(1) of the said Act.

GIVEN UNDER MY HAND AT BOMBAY THIS FIRST DAY OCTOBER OF 1987 (One Thousand Nine Hundred Eighty Seven)



(Sd/-) V.S. GALGANI

REGISTRAR OF COMPANIES  
MAHARASHTRA, BOMBAY.

- Note :
1. \*Here give the name of the company as existing prior to change.
  2. \*\* Here give the name of the Act(s) under which the company was originally registered and incorporated.



सत्यमेव जयते

Form I. R.

CERTIFICATE OF INCORPORATION

No. 11980 of 1961-62.

I hereby Certify that ASSOCIATED BEARING COMPANY LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at Bombay this Twelfth day of April One thousand nine hundred and Sixty One (22nd Chaitra, 1883).

The Seal of  
the Registrar of  
Companies,  
Maharashtra

(Sd/-) B. P. Roy

Registrar of Companies,  
Maharashtra.

# INDEX

11

MEMORANDUM OF ASSOCIATION	..	..	..	..	01
ARTICLES OF ASSOCIATION	..	..	..	..	10
Table A Excluded	..	..	..	..	10
Interpretation	..	..	..	..	10
Preliminary	..	..	..	..	11
Commencement of Business	..	..	..	..	13
Shares	..	..	..	..	13
Underwriting and Brokerage	..	..	..	..	17
Certificates	..	..	..	..	17
Calls	..	..	..	..	21
Forfeiture, Surrender and lien	..	..	..	..	23
Transfer and Transmission of Shares	..	..	..	..	26
Increase, Reduction and Alteration in Capital	..	..	..	..	29
Modification of Class Rights	..	..	..	..	32
Joint Holders	..	..	..	..	33
Borrowing Powers	..	..	..	..	34
Statutory Meetings and General Meetings-Statutory Meeting	..	..	..	..	36
General Meetings	..	..	..	..	36
Proceedings at General Meeting	..	..	..	..	40
Votes of Members	..	..	..	..	45
Directors	..	..	..	..	49
Retirement and Rotation of Directors	..	..	..	..	60
Removal of Directors	..	..	..	..	63
Increase or Reduction in the Number of Directors	..	..	..	..	64
Proceedings of Directors	..	..	..	..	64
Powers of Directors	..	..	..	..	67
Registers, Books and Documents	..	..	..	..	75
Managing Director	..	..	..	..	76
Wholetime Director	..	..	..	..	77
Secretary	..	..	..	..	77
The Seal	..	..	..	..	78
Interest out of Capital	..	..	..	..	78
Dividends	..	..	..	..	79
Capitalization	..	..	..	..	81
Accounts	..	..	..	..	83
Annual Returns	..	..	..	..	86
Audit	..	..	..	..	86
Documents and Service of Documents	..	..	..	..	89
Authentication of Documents	..	..	..	..	91
Winding up	..	..	..	..	91
Secrecy Clause	..	..	..	..	92
Indemnity and Responsibility	..	..	..	..	92



**ABSTRACT  
OF  
ARTICLES OF ASSOCIATION  
OF  
SKF India Limited**

	Article	Page
<b>TABLE A EXCLUDED</b>		
Table A not to apply but Company to be governed by these Articles.	1	10
<b>INTERPRETATION</b>		
Interpretation Clause	2	10
"The Act" or "the said Act"	2	10
"The Board" or "Board of Directors"	2	10
"The Company" or "This Company"	2	10
"Directors"	2	10
"Dividend"	2	10
Gender	2	10
"Month"	2	10
"Office"	2	11
"Persons"	2	11
Plural Number	2	11
"These Presents" or "Regulations"	2	11
"Register"	2	11
"Secretary"	2	11
"Seal"	2	11
"Year" & "Financial Year"	2	11
"Writing"	2	11
Expressions in the Act to bear the same meaning in the Articles.	2	11
Marginal Notes.	2	11
<b>PRELIMINARY</b>		
Company to enter into Agreement.	3	11
Copies of Memorandum and Articles to be given to members	5	13
<b>COMMENCEMENT OF BUSINESS</b>		
Commencement of Business	6	13
<b>SHARES</b>		
Capital	7	13
Restrictions on allotment etc.	8	13
Further issue of shares	9	14

	Article	Page
Shares under the control of the Directors	10	14
Power of General Meeting to offer shares to such persons as the Company may resolve.	11	15
Directors may allot shares as fully paid up	12	15
Shares to be numbered progressively and no share to be subdivided	13	16
Acceptance of shares	14	16
Deposit and calls etc. to be a debt payable immediately.	15	16
Instalments on shares to be duly paid	16	16
Company not bound to recognise any interest in shares other than that of the registered holders.	17	16

#### UNDERWRITING AND BROKERAGE

Commission for placing shares, debentures etc.	18	17
--	----	----

#### CERTIFICATES

Certificates of shares.	19(a)	17
Member's right to certificates.	19(b)	17
Limitation of time for issue of certificates.	20	18
As to issue of new certificate in place of one defaced, lost or destroyed.	21	18
Dematerialisation of Securities	21A	18

#### CALLS

Board may make calls	22(a)	21
Calls on shares of same class to be made on uniform basis	22(b)	21
Notice of call.	23	21
Calls to date from resolution	24	21
Board may extend time	25	21
Amount payable at fixed time or by instalments as calls.	26	22
When interest on call or instalment payable.	27	22
Proof on trial of suit for money due on shares.	28	22
Judgment, decree or partial payment not to preclude forfeiture	29	22
Payment in anticipation of calls may carry interest.	30	23

#### FORFEITURE, SURRENDER AND LIEN

If call or instalment not paid notice must be given	31	23
Terms of Notice	32	23
In default of payment, shares to be forfeited	33	23
Notice of forfeiture to member and entry in Register	34	23
Forfeited shares to be property of the Company and may be sold etc.	35	24
Power to annual forfeiture.	36	24
Members shall be liable to pay money owing at the time of forfeiture and interest.	37	24
Effect of forfeiture.	38	24
Certificate of forfeiture	39	24

	Article	Page
Title of purchaser and allottee of forfeited share.	40	24
Directors may accept surrender of shares	41	25
Company's lien on shares	42	25
As to enforcing lien by sale	43	25
Application of proceeds of sale	44	25

**TRANSFER AND TRANSMISSION OF SHARES**

Register of transfers.	45	26
Form of transfer	46	26
Transfer not to be registered except on production of instrument of transfer.	47	26
Directors may refuse to register transfer	48	26
Application for transfer	49	27
To be executed by transferor and transferee	50	27
Transfer by legal representative	51	27
Custody of transfer	52	27
Closure of transfer books	53	28
Title to share of deceased holder	54	28
Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)	55	28
Refusal to register nominee	56	29
Board may require evidence of transmission	57	29
Fee on transfer or transmission	58	29
The Company not liable for disregard of a notice prohibiting registration of a transfer	59	29

**INCREASE, REDUCTION AND ALTERATION IN CAPITAL**

Increase of Capital	60	29
Rights of equity shareholders to further issue of Capital.	61	30
Same as original Capital.	62	30
Restrictions on purchase by Company of its own shares.	63	31
Provision in case of redeemable Preference shares	64	31
Reduction of Capital	65	32
Consolidation, division and sub-division.	66	32
Issue of further pari passu shares not to affect the right of shares already issued.	67	32

**MODIFICATION OF CLASS RIGHTS**

Power to modify rights.	68	32
-------------------------	----	----

**JOINT HOLDERS**

Joint Holders.	69	33
Company may refuse to register more than six persons.	69(a)	33
Joint and several liabilities for all payments in respect of shares.	69(b)	33

	Article	Page
Title of survivors	69(c)	33
Receipt of one sufficient	69(d)	33
Delivery of certificate and giving notice to first name holder.	69(e)	33
Votes of joint holders	69(f)	33
Nomination	69A	34

#### BORROWING POWERS

Power to borrow.	70	34
Condition on which money may be borrowed	71	35
Bonds, debentures etc. to be subject to control of Board	72	35
Securities may be assignable free from equities.	73	35
Issue at discount etc. or with special privileges.	74	35
Mortgage of uncalled capital	75	35
Indemnity may be given	76	35
Register of Charges.	77	36

#### STATUTORY MEETINGS AND GENERAL MEETINGS

##### STATUTORY MEETINGS

Statutory Meeting	78	36
-------------------	----	----

##### GENERAL MEETINGS

Annual General Meeting	79	36
Extraordinary General Meeting.	80	37
Calling of Extraordinary General Meeting or requisition	81	37
Notice of meeting	82	38
Contents of notice	83	38
Special business	84	38
Passing of Resolutions by Postal Ballot	84A	39
Service of notice	85	39
Notice to be given to the Auditors	86	40
As to omission to give notice	87	40
Resolution requiring special notice	88	40

#### PROCEEDINGS AT GENERAL MEETING

Quorum at General Meeting	89	40
If quorum not present, meeting to be dissolved or adjourned	90	41
Adjourned meeting to transact business	91	41
Chairman of Directors or Vice-Chairman or a Director to be Chairman of General Meeting.	92	41
In case of their absence or refusal, a member may act.	93	41
Business confined to election of Chairman whilst chair vacant	94	42
Chairman with consent may adjourn meeting	95	42
Notice to be given where a meeting adjourned for 30 days or more.	96	42

	Article	Page
What would be evidence of the passing of a resolution where poll not demanded.	97	42
Demand for poll.	98	42
Time and manner of taking poll.	99	43
Scrutineers at poll.	100	43
Demand for poll not to prevent transaction of other business.	101	43
Motion how decided in case of equality of Votes.	102	43
Reports, Statements and Register to be laid on the table	103	43
Registration of certain Resolution and Agreements.	104	44
Minutes of the General Meetings.	105	45
Inspection of minute books of General Meetings.	106	45
Publication of reports of proceedings of General Meetings	107	45

#### VOTES OF MEMBERS

Votes may be given by proxy or attorney.	108	45
Votes	109	46
No voting by proxy on show of hands	110	46
No member to vote unless calls are paid up	111	46
Votes in respect of shares of deceased insolvent members	112	46
Right of members to use his votes differently	113	47
How members non compos mentis, or minors may vote	114	47
Proxies.	115	47
Deposit of instrument of appointment	116	47
Form of Proxy	117	48
Custody of the instrument	118	48
Inspection of proxies	119	48
Validity of votes given by proxy notwithstanding death etc. of members.	120	49
Time for objection to votes.	121	49
Chairman of any meeting to be the judge of validity of any vote.	122	49

#### DIRECTORS

Number of Directors	123	49
First Directors	124	49
Debenture Director	125 & 126	49
Appointment of Alternate Director	127	52
Casual Vacancy	128	52
Appointment of Additional Director	129	52
Qualification of Directors	130	52
Remuneration of Directors	131(1)	53
Special remuneration to Director going out of Bombay on Company's business	131(2) & (3)	53
Directors may act notwithstanding vacancy.	132	54
When office of Director to be vacated.	133(1)	54
Resignation	133(2)	55
Directors may contract with Company	134(1)	55
Disclosure of interest	134(2)	55

	Article	Page
General notice of interest	134(4) & (5)	56
Interested Director not to participate or vote in Board's proceedings	134(6)	56
Register of contracts in which Directors are interested	135(1)	57
Directors may be directors of companies promoted by Company	136	58
Disclosure by director of appointments	137	58
Disclosure of holdings.	138	58
Director not to hold office or place of profit.	139	59
Loans to Directors	140	59
Board resolution necessary for certain contracts	141(1)	59

#### RETIREMENT AND ROTATION OF DIRECTORS

Retirement by rotation	142(1) & (2)	60
Directors to retire annually how determined.	142(3)	60
Ascertainment of Directors retiring by rotation	143	60
Eligibility for reappointment.	144	61
Company to fill up vacancy.	145	61
Provisions in default of appointment.	146	61
Notice of candidature for office of Director	147	61
Individual resolution for Directors' appointment	148	62

#### REMOVAL OF DIRECTORS

Removal of Directors	149(1)	63
----------------------	--------	----

#### INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS

The company may increase or reduce number of Directors.	150	64
---	-----	----

#### PROCEEDINGS OF DIRECTORS

Meetings of Directors	151	64
Notice of Meetings	152	64
Quorum	153	65
Adjournment of meeting for want of quorum.	154	65
Chairman	155(A)	65
Appointment of Vice-Chairman	155(B)	65
Who to preside at meetings of the Board.	156	65
Question at Board Meeting how decided (casting vote.)	157	65
Directors may appoint Committee.	158	65
Meetings of Committees how to be governed.	159	66
Resolution by circulation	160	66
Acts of Board or Committee valid notwithstanding defect in appointment.	161	66
Minutes of proceedings of Board of Directors and Committees to be kept	162	67
Board Minutes to be evidence.	163	67

	Article	Page
<b>POWERS OF DIRECTORS</b>		
General powers of the Directors	164(1)	67
Consent of Company necessary for the exercise of certain powers	165	68
Certain powers to be exercised by the Board only at meeting	166(1)	68
Certain powers of the Board	167	69
To pay commission and interest	167(1)	70
To acquire property	167(2)	70
To pay for property in debentures and otherwise.	167(5)	70
To insure	167(6)	71
To open account with Bank.	167(7)	71
To secure contracts by mortgage.	167(8)	71
To purchase moveable or immoveable property, etc.	167(9)	71
To accept surrender of shares	167(10)	71
To appoint Trustees	167(11)	71
To bring and defend actions etc.	167(12)	71
To act in insolvency matters	167(13) & (14)	72
To invest moneys	167(15)	72
To execute mortgages	167(16)	72
To authorise acceptances	167(17)	72
To distribute bonus.	167(18)	72
To provide for welfare of employees	167(19)	72
To subscribe to charitable and other funds	167(20)	73
To create depreciation and other funds	167(21)	73
To appoint employees	167(22)	74
Local Board	167(23)	74
Delegation	167(24)	74
Power of Attorney	167(25)	74
To delegate	167(26)	75
May make contracts etc.	167(27)	75

#### REGISTER, BOOKS AND DOCUMENTS

Registers Books and Documents	168(1)	75
-------------------------------	--------	----

#### MANAGING DIRECTOR

Power to appoint Managing Director	169	76
What provisions he shall be subject to	170	77
Remuneration of Managing Director	171	77
Powers and duties of Managing Director	172	77

#### WHOLETIME DIRECTOR

Wholetime Director	173	77
--------------------	-----	----

	Article	Page
<b>SECRETARY</b>		
Secretary	174	77
<b>THE SEAL</b>		
The Seal, its custody and use	175	78
Deeds how executed	176	78
Seal abroad	177	78
<b>INTEREST OUT OF CAPITAL</b>		
Payment of interest out of capital	178	78
<b>DIVIDENDS</b>		
Division of profits	179	79
Capital paid up in advance at interest not to earn dividends	180	79
Dividends in proportion to amount paid up	181	79
Company in General Meeting may declare a dividend	182(1)	79
But not larger than recommended by Directors	182(2)	79
Dividend declared but not paid or claimed	183	79
Dividends etc when to be held in abeyance	184	80
Interim dividend	185	80
Retention of dividends until completion of transfer under Article 51	186	80
No member to receive dividend, whilst indebted to the Company and Company's right of reimbursement thereof	187	80
Forfeiture of unclaimed dividend	188	81
Transfer of shares must be registered	189	81
Dividends how remitted	190	81
Dividend and call together	191	81
Special powers in relation to satisfaction of dividends	192	81
<b>CAPITALIZATION</b>		
Capitalization	193(1)	81
<b>ACCDUNTS</b>		
Books of Account to be kept	194(1)	83
Inspection by members.	196	84
Statement of Accounts to be furnished to General Meeting.	197	84
Balance Sheet and Profit & Loss Account	198	84
Authentication of Balance Sheet and Profit & Loss Account.	199	85
Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance Sheet	200	85



	Article	Page
Board's Report to be attached to the Balance Sheet	201	85
Right of members to copies of Balance Sheet and Auditors' Report	202	86

#### ANNUAL RETURNS

Annual Returns	203	86
----------------	-----	----

#### AUDIT

Accounts to be audited	204	86
Appointment of Auditors	205(1)	86
Qualification and dis-qualification of Auditors	205(7)	88
Audit of Branch Offices	206	88
Remuneration of Auditors	207	88
Rights and duties of Auditors	208(1)	88
Accounts when audited and approved to be conclusive except as to errors discovered within three months.	209	89

#### DOCUMENTS AND SERVICE OF DOCUMENTS

How document is to be served on members.	210	89
Service on members having no registered address	211	90
Service on persons acquiring shares on death or insolvency of members.	212	90
Persons entitled to notice of General Meetings	213	90
Advertisement	214	91
Members bound by document given to previous holders	215	91
Service of notices by shareholders	216	91
How notice to be signed	217	91

#### AUTHENTICATION OF DOCUMENTS

Authentication of documents and proceedings	218	91
---	-----	----

#### WINDING UP

Distribution of assets	219	91
Distribution in specie or kind	220	92

#### SECURITY CLAUSE

Secrecy Clause.	221	92
-----------------	-----	----

#### INDEMNITY AND RESPONSIBILITY

Directors' and others' right of indemnity	222	92
Not responsible for acts of others	223	93

# MEMORANDUM OF ASSOCIATION OF SKF India Limited

21

1. The name of the Company is "SKF India Limited."
- \*2. The Registered Office of the Company is situated in the State of Maharashtra within the jurisdiction of Registrar of Companies, Pune.
3. The objects for which the Company is established are :
  - (a) To carry on the business of manufacturers of and dealers in ball and/ or roller bearings, and components in respect thereof, and also the business of manufacturers and/or assemblers of and dealers in pendulum arms, cradles, and bearing units for top rollers, being components of textile machinery and other components of textile machinery and accessories in respect thereof.
  - (b) To carry on the business of iron founders, consulting engineers, civil, naval mining, railway, electrical, gas, mechanical, chemical and general engineers and technicians and manufacturers of and dealers in plant, machinery, equipments, apparatus, accessories, tools and implements of all kinds, vehicles, and conveyances of all kinds whether self-propelled or otherwise, manufacturers of chemicals, tool makers, brass founders, metal and wood workers, founders, millwrights, iron masters, steel makers, iron and steel converters, refiners, smiths, colliery proprietors, coke manufacturers, miners, smelters and tin-plate makers, in all their respective branches, builders, painters, metallurgists and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery, apparatus, implements, rolling stock and hardware of all kinds.
  - (c) To carry on any business relating to the winning and working of minerals and production and working of metals and the production, manufacture and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company or any contracts undertaken by the Company and either for the purpose only of such contracts or as an independent business.
  - (d) To undertake and execute any contracts for works involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.

\* The registered office of the Company shifted from the jurisdiction of Registrar of Companies, Mumbai to Registrar of Companies, Pune, with the State of Maharashtra vide amendment passed in the Annual General Meeting dated 23rd July, 2020 through Special Resolution.



- (e) To buy, sell, repair, alter and deal in apparatus, machinery, materials and articles of all kinds which shall be capable of being used for the purpose of any business herein mentioned or likely to be required by customers of any such business.
- (f) To acquire from time to time all such stock-in-trade, goods, chattels and effects as may be necessary or convenient for any business for the time being carried on by the Company.
- (g) To carry on any other business which may seem to the Company capable of being advantageously or conveniently carried on by way of extension of or in connection with any of the above objects or may seem calculated directly or indirectly to develop any branch of or expand the Company's business or to enhance the value of or render profitable any of the Company's assets, property or rights.
- (h) To purchase or otherwise acquire and protect and renew any interests in any patents, patent rights, trade-marks, designs, licences, concessions and the like conferring an exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem to the Company capable of being profitably dealt with. To use, exercise, develop, grant licences in respect of or otherwise to turn to account any such patents, patent rights, trade-marks, designs, licences, concessions and the like and information aforesaid and to expend money in experimenting upon, testing or improving any such patents, inventions or rights, and to make experiments and tests and to carry on all kinds of research work.
- (i) To undertake and execute any contracts for works involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.
- (j) To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or corporation, carrying on any business, which this Company is authorised to carry on or possessed of any property or rights suitable for the purposes of this Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (k) To purchase, take on lease or in exchange, hire or otherwise acquire any moveable, immoveable or other properties and any rights or privileges which the Company may think necessary expedient or convenient for the purposes of its business or which may enhance the value of any other property of the Company, and in

particular any land, buildings, easements, machinery, plant, stock-in-trade, vehicles and other assets.

- (l) To purchase, acquire, rent, build, construct, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control works, offices, buildings, factories, mills, shops, machinery, engines, roads, ways, tramways, railways, branches or sidings and other works and conveniences of all kinds whether for the purpose of the Company or for sale or hire to or in return for any consideration from any other company or persons, and to contribute to or assist in the carrying out of establishment, construction, maintenance, improvement, management, working, control or superintendence thereof respectively.
- (m) To subscribe for, underwrite, purchase or otherwise acquire, and to hold, dispose of and deal with the shares, stock, securities and evidences of indebtedness or of the right to participate in profits or assets or other similar documents issued by any Government, authority, corporation or body, or by any company or body of persons, and any options or rights in respect thereof, and to buy and sell foreign exchange.
- (n) To borrow or raise or secure the payment of money by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Company shall think fit, and for the purposes aforesaid to charge all or any of the Company's property or assets, present and future, including its uncalled capital, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (o) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (p) To lend money to and guarantee the performance of the contracts or obligations of any company, firm or person (including any employee of the Company) and the payment and repayment of the capital and principal of, and dividends, interest or premiums payable on, any stock, shares and securities of any company, whether having objects similar to those of this Company or not, and to give all kinds of indemnities.
- (q) To enter into any partnership or arrangement in the nature of partnership with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorised to carry on or conduct or from which this Company would

or might derive any benefit, whether direct or indirect, and to promote or concur in the promotion of any company, the promotion of which shall be considered desirable.

- (r) To sell, lease, grant licenses and otherwise deal with or dispose of the undertaking of the Company or any part thereof in such manner and for such consideration as the Company may think fit, and in particular for shares (fully or partly paid up) debentures, debenture stock or securities of any other company, whether promoted by this Company for the purpose or not, and to improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Company.
- (s) To distribute amongst the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction for the time being required by law.
- (t) To pay for any rights, privileges or properties acquired by the Company, either in shares of the Company or partly in shares and partly in cash or otherwise, and to remunerate any person, firm or company, whether by cash payment or by the allotment of shares, debentures or other securities of the Company, credited as paid up in full or in part or otherwise.
- (u) To enter into any arrangements with any Governments or Authorities, Central, State, Municipal, local or otherwise, or any person or firm or company that may seem conducive to the objects of the Company or any of them and to obtain from any such Government or Authority, person, firm or company any rights, privileges, charters, contracts, licences and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply therewith.
- (v) To pay out of the funds of the Company all expenses with respect to the promotion, formation and registration of the Company or the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
- (w) To procure the Company to be registered or incorporated or recognised in any part of the world outside India.

- (x) To aid and support, pecuniarily or otherwise, any person association, body or movement, having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade or related interests.
- (y) To subscribe, contribute, pay, transfer or guarantee money for or to dedicate, present or otherwise dispose of either voluntarily or for value, any monies or properties of the Company to or for the benefit of any national, charitable, benevolent, religious, scientific, public, local, political, general or useful objects, purposes or institutions or to or for any exhibition or for any purpose which may be considered likely to directly or indirectly further the objects of the Company or the interests of its members.
- (z) To transact and carry on all kinds of Agency business.
- \* (zi) To carry on business in India or elsewhere on its own account or on account of others as importers and exporters of and dealers in and to act as an export house, trading house or institution for the export of all kinds of machinery, equipment, tools, goods merchandise articles for all other uses and activities and for that purpose to barter exchange, purchase, sell, to manufacture, assemble and/or join others in the manufacture and assembling of all such kind of properties as aforesaid, to undertake market survey and research and render all services required by importers and exporters including financing and arranging finance for such import and export and provide consultancy services.
- \*\* (zii) To carry on the business of integrated logistic services including transportation through own or Public Carriers/transport operators, cargo lifters, contractors, customs clearing agents, chartering agents, hirers of transport vehicles, packers, hauliers, warehousemen and generally to provide services for various clients both in India and abroad and to undertake every kind of operation in connection with the logistic support for transportation, import, export, packing, warehousing and handling of goods by air, sea or land.
- \*\* (ziii) To provide technical training to external people including Distributors, Authorized Stockists, Customers and Academic Institutions for development of knowledge in the field of maintenance, reliability and

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\* Inserted by resolution passed at the Annual General Meeting of the Company held on 12th September, 1991.

\*\* Inserted by Resolution passed at the Annual General Meeting of the Company held on 27th April, 2006.

other related technical and commercial areas and engineering.

- \*\* (ziv) To carry on the business of providing hiring services including employing people to provide services and solutions to SKF Group and other companies.
- \*\* (zv) To carry on the business of designing, manufacturing and assembly of complete units, systems, solutions and applications for various industries including-
  - a) Assembly & manufacture of lubrication systems including Centralised Lubrication Systems, Grease Systems and Oil Systems, Lubrication system components viz. Pumping units, Pressure Valves, pressure switches, Control Valves, Distributors, Connectors and couplers, hoses, fabricated oil tanks, etc.
  - b) Spindle Services, Spindles including belt driven spindles, motorized spindles.
  - c) Application Engineering and consultancy services.
  - d) Bearing refurbishing services.
  - e) Engineering, design, systems, assembling, manufacturing in-house or at location of the customer and other related activities including and not limited to IT and computerized controls.
  - f) Reliability Services to the manufacturing industry.
  - g) Design, Manufacturing, Assembly and Business in Megatronics, Linear Actuation and Motion Control and Sealing Solutions.
  - h) Value added solutions in all the above areas.
- (aa) To grant pensions or other emoluments or gratuities to any employees or ex-employees and to officers and ex-officers (including Directors and ex-Directors) of the Company or the relations, connections or dependents or any such persons, and to establish or support associations, institutions, clubs, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interest of the Company or of its members, and to establish and contribute to any scheme for the purchase by trustees of shares in the Company to be held for the benefit of the Company's employees and officers and to lend money to the Company's employees, and to

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\*\* Inserted by Resolution at the Annual General Meeting of the Company held on 27th April, 2006.

provide for the welfare of any employees or ex-employees and officers and ex-officers (including Directors and ex-Directors) of the Company, or the relations, connections or dependents of any such persons, by building or contributing to the building of houses or dwellings or quarters or by providing any other amenities and benefits or by creating and from time to time subscribing or contributing to Provident Funds and other Funds, Associations, Institutions, Schemes or Trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company may from time to time think fit.

- (bb) To refer all questions, disputes or differences arising between the Company and any other person whomsoever in connection with or in respect of any matter relating to the business or affairs of the Company to arbitration in such manner and upon such terms as the Company and such other person may mutually agree upon in each case, and such reference to arbitration may be in accordance with the provisions of the Indian Arbitration Act or the Rules of the International Chamber of Commerce relating to arbitration or otherwise.
- (cc) To do all or any of the things and matters aforesaid in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.
- (dd) To do all such other things as may be considered to be incidental or conducive to the above objects or any of them.

And it is hereby declared that :

- (i) The word "company" in this clause, except where used in reference to this Company, shall be deemed to include any authority, partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in India or elsewhere, and
- (ii) The objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in no ways be limited or restricted by reference to or inference from the terms of any other paragraph of this clause or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each



of the said paragraphs defined the objects of a separate and distinct company.

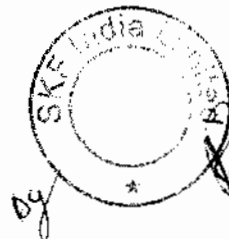
4. The liability of the members is limited.
- \* 5. The share capital of the company is Rs. 100,00,00,000/- (Rupees one hundred crores) divided into ten crores equity shares of Rs. 10/- (Rupees ten only) each with power to increase the capital from time to time.

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\* Authorised capital increased from Rs.26 crores to Rs.100 crores and clause 5 substituted by Resolution passed at Annual General Meeting held on 30th March, 2001.

Names of subscribers	Addresses, descriptions and occupations of the Subscribers	No. of shares taken by each Subscriber	Witness
ARDESHIR DARABSHAW SHROFF	Bombay House, 24, Bruce Street, Fort, Bombay Business.	FIFTY	P. B. POONJAJI AVA CHAMBERS, CINEMA ROAD, BOMBAY - 1. Service
AKTIEBOLAGET SVENSKA KULLAGER- FABRIKEN By its constituted attorney GUNNER GLIMSTEDT	Gothenburg, Sweden Manufacturing Company	FIVE THOUSAND	
JOHN HIGAM	Pemino, Altamount Road, Bombay - 24. Business Executive.	FIFTY	
SUMANT MOOLGAONKAR	Mayfair, Little Gibbs Road, Malbar Hill, Bombay. Industrialist	FIFTY	
NANI ARDESHIR PALKHIVALA	Commonwealth, 181, Backbay Reclamation, Bombay-1. Advocate.	FIFTY	
NARIMAN KHURSHEDJI SUNTDDK	C/o. Mulla & Mulla Craigie, Blunt & Caroe, 51, M. G. Road, Bombay Solicitor.	FIFTY	
JAMSHED NOWROJI PATUCK	Secretary, Investment Corporation of India Ltd., Ewart House, Bruce Street, Fort, Bombay.	FIFTY  Total 5300 (Five thousand and three hundred) shares.	

Dated this 11th day of April, 1961.



# ARTICLES OF ASSOCIATION OF SKF India Limited

## TABLE A EXCLUDED

*Table A not to apply but Company to be governed by these Articles*

1. The regulations contained in Table A, in the First Schedule of the Companies Act, 1956, except so far as they are herein embodied, 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 additions to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, as amended upto date or any other statutory modifications thereof be such as are contained in these Articles.

## INTERPRETATION

*Interpretation Clause.*

2. In the interpretation of these Articles the following words and expressions shall have the following meanings, unless repugnant to the subject or context thereof :-

*"The Act" or "the said Act"*

"The Act", or "the said Act" means "The Companies Act, 1956" as amended upto date or any statutory modifications thereof or other the Act or Acts for the time being in force in India containing the provisions of the Legislature in relation to Companies.

*"The Board" or "Board of Directors"*

"The Board" or the "Board of Directors" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Articles, or the Directors of the Company collectively.

*"The Company" or "This Company"*

"The Company" or "This Company" means "SKF INDIA LIMITED".

*"Directors"*

"Directors" mean the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.

*"Dividend"*

"Dividend" includes bonus.

*Gender*

Words importing the masculine gender also include, where the context requires or admits, the feminine gender.

*"Month"*

"Month" means a calendar month.

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<i>"Office"</i>	"Office" means the Registered Office for the time being of the Company.
<i>"Persons"</i>	"Persons" includes firms and corporations as well as individuals.
<i>Plural Number.</i>	Words importing the plural number also include, where the context requires or admits, the singular number, and vice versa.
<i>"These Presents" or "Regulations"</i>	"These Presents" or "The Company's Regulations" means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where the context so requires.
<i>"Register"</i>	"Register" means the Register of Members to be kept under the Act.
<i>"Secretary"</i>	"Secretary" means Secretary as defined in Section 2(45) of the Act.
<i>"Seal"</i>	"Seal" means the Common Seal for the time being of the Company.
<i>"Year" &amp; "Financial Year"</i>	"Year" means a calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.
<i>"Writing"</i>	"Writing" shall include type-writing, printing and lithography and any other mode or modes of representing or reproducing words in a visible form.
<i>Expressions in the act to bear the same meaning in the Articles.</i>	Subject as aforesaid, any words or expression defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.
<i>Marginal Notes.</i>	The marginal notes hereto shall not affect the construction hereof.

#### PRELIMINARY

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| <i>Company to enter into Agreement.</i> | <p>3. The Company shall after the incorporation of the Company enter into the following documents in the terms of the respective drafts thereof which have been prepared and which have been subscribed by N.K-Suntook Esq., an Attorney of the High Court of Judicature at Bombay with a view to their identification:</p> <p>(a) Assignment of Know-How Capital Property expressed to be made between Aktiebolaget Svenska Kullager fabriken of Gothenburg, Sweden, of the one part and the Company of the other part.</p> <p>(b) Assignment of Know-How Capital property expressed to be made between SKF Kugellagar-Fabriken GmbH of Schweinfurt, Germany, of the one part and the Company of the other part.</p> |
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- (c) Technical Assistance Agreement expressed to be made between the above Swedish Company and the Skefko Ball Bearing Company Limited of England of the one part, and the Company of the other part.
- (d) Technical Assistance Agreement expressed to be made between SKF Kugellager-Fabriken GmbH of Schweinfurt, Germany, of the one part and the Company of the other part.
- (e) Selling Agency Agreement expressed to be made between the Company of the one part and The SKF Ball Bearing Company Private Limited of Bombay of the other part.
- (f) Export Agreement expressed to be made between the Company of the one part and the said Swedish and English Companies of the other part.

The Board shall in due course affix the Seal of the Company to the said documents but shall have power to agree to any modifications or alterations thereof as may be agreed upon whether before or after the respective executions thereof. It is hereby expressly declared that the validity of the said Documents or any of them or any such modifications thereof as aforesaid shall not be impeached on the ground that the said Swedish, English, German and Bombay companies or the Directors thereof are promoters of the Company or otherwise or that any other persons being interested therein in any capacity whatsoever stand in a fiduciary relation to the Company, or that in the circumstances did not constitute an independent Board and every person who shall have at any time become a member of the Company shall be deemed to approve and confirm the said documents with or without modifications or alterations as aforesaid, and every member of the Company present or future shall be deemed to have notice of the contents of the said documents and to join the Company on the above basis.

- 4. The Company has entered into an Agreement dated 20th May, 1987 (hereinafter referred to as "the said Agreement") with Aktiebolaget SKF ("SKF") a copy of which when executed shall be annexed hereto and the same shall form and be treated as part of these Articles.

Under the said Agreement it is agreed, inter alia, that SKF shall by giving six months' notice in writing to the Company be entitled to

revoke the licence and permission granted to the Company to use the word "SKF" as part of its corporate name or terminate the Agreement or the Agreement determining as therein provided whereupon the Company shall forthwith take steps in this behalf and shall interalia within one hundred and eighty days from the date of receipt of such notice:

- (i) discontinue the use of the word "SKF" as part of its corporate or trade name, and
- (ii) take all such steps as may be necessary for the purpose of changing its corporate name as aforesaid. Any new corporate name which the Company may adopt shall not consist of any letter, words or combination of letters or words or expression substantially similar to or likely to be confused with the word "SKF".

This article shall be binding on both the Company and the Members, so as to give effect to the aforesaid purposes and to implement the same.

*Copies of Memorandum and Articles to be given to members.*

- 5. Copies of the Memorandum and Articles of Association and other documents mentioned in Section 39 of the Act shall be furnished by the Company to any member at his request within seven days of the requirement subject to the payment of a fee (if any) as may be required by the Directors and is permitted under the Act.

**COMMENCEMENT OF BUSINESS**

*Commencement of business.*

- 6. The Company shall not commence business or exercise any borrowing powers until the requirements of Section 149 of the Act shall have been complied with.

**SHARES**

*Capital.*

- \* 7. The share capital of the Company is Rs. 100,00,00,000/- (Rupees one hundred crores) divided into 10 crores equity shares of Rs. 10/- (Rupees ten only) each with power to increase the capital from time to time.

*Restrictions on allotment, etc.*

- 8. The Board shall observe the restrictions as to allotment contained in Sections 69 and 70 of the Act, as the case may be, and shall cause to

\* The Authorised share capital of the company increased from Rs. 26 crores to Rs. 100 crores and Article 7 of the Article of Association of the Company be substituted by Resolution passed at Annual General Meeting held on 30th March, 2001.

be made the returns as to allotment according to Section 75 of the Act.

*Further issue of shares.*

9. Any shares (whether forming part of the original capital or of any increased capital of the Company) may be issued either with the sanction of the Company in General Meeting or by the Board with such rights and privileges annexed thereto and upon such terms and conditions as by the General Meeting sanctioning the issue of such shares be directed, and, if no such direction be given and in all other cases, as the Board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company, without prejudice, however, to any rights and privileges already conferred on the holders of any shares or class of shares for the time being issued by the Company. Provided, however, that where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company, made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then, such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 81 of the Act. Provided further that, notwithstanding anything hereinbefore contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in any manner whatsoever
- (a) if a Special Resolution to that effect is passed by the Company in General Meeting
- or
- (b) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be), in favour of the proposal contained in the Resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.

*Shares under the control  
of the Directors.*

10. 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 Directors who may issue allot or otherwise dispose of the same or any of them to such persons, in such proportions and on such terms and conditions and either (subject to the provisions of Section 78 of the Act) at a premium or at par or (subject to the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper, and with full power, subject to the sanction of the Company in General Meeting, to give to any person the option to call for or be allotted shares of any class of the Company either at par or at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Directors think fit.

*Power of General  
Meeting to offer shares to such  
persons as the  
Company may resolve.*

11. In addition to and without derogating from the powers for that purpose conferred on the Directors under Articles 8 and 9 and on the Company under Article 8 and subject to those Articles the Company in General meeting may determine to issue further shares out of the authorised capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either (subject to the provisions of Section 78 of the Act) at a premium or at par or (subject to the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine, and with full power to give to any person (whether a member or holder of debentures of the Company or not) the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Section 78 of the Act) at a premium or at par, or (subject to the provisions of Section 79 of the Act) at a discount, such option being exercisable at such time and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

*Directors may allot shares  
as fully paid up.*

12. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as 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 either in or about the formation or promotion of the Company or 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 in cash, and, if so issued, shall be deemed to be fully paid or partly paid up shares as aforesaid.

*Shares to be numbered progressive and no share to be sub-divided.*

13. The shares in the capital or the Company shall be numbered progressively according to their several denominations, and, except in the manner hereinafter mentioned, no shares shall be sub-divided.

*Acceptance of shares*

14. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

*Deposit and calls etc. to be debt payable immediately.*

15. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

*Instalment on share to be duly paid.*

16. If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

*Company not bound to recognise any interest in shares other than that of the registered holders.*

17. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these Articles or as ordered by a Court of competent jurisdiction 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.

#### UNDERWRITING AND BROKERAGE

*Commission for placing shares debentures etc.*

18. The Company may, subject to the provisions of Section 76 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in or debentures of the Company or his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in, or debentures of, the Company, but so that the amount or rate of commission does not exceed in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures, two and a half per cent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures, pay such brokerage as may be lawful, and usual or reasonable.

#### CERTIFICATES

*Certificates of shares.*

19. (a) The certificates of title to shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered power of attorney; and (ii) the Secretary or some other person appointed by the board for the purpose PROVIDED that atleast one of the aforesaid two Directors shall be a person other than the managing director or whole time director, if any; A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography PROVIDED ALWAYS that notwithstanding anything contained in this Article, the certificates of title to shares may be issued and executed in accordance with such other the provisions of the Act or the rules made thereunder, as may be in force for the time being and from time to time.

*Member's right to certificates.*

- (b) Every member shall be entitled without payment to one certificate for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee or

fees at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve.

*Limitation of time for issue of certificates.*

20. Subject to the provisions of Section 113 of the Act the Company shall, unless prohibited by any provision of law or of any order of any Court, tribunal or other authority, within three months after the allotment of any of its shares, debentures or debenture stock and within two months after the application for the registration of the transfer of any such shares, debentures or debenture stock, deliver, in accordance with the procedure laid down in Section 53 of the Act, the certificates of all shares, debentures and certificates of debenture stock allotted or transferred.

*As to issue of new certificates in place of one defaced lost or destroyed.*

21. If any certificate be old, decrepit, worn out, defaced, torn or be otherwise mutilated or rendered useless from any cause whatsoever, or if there be no space on the back thereof for endorsement of transfers, then upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof, without charging any fee in respect thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate on payment if any of such sum not exceeding Re.1/- as the Directors may in their discretion determine.

*Dematerialisation of securities*

\* 21A Definitions

- i) 'Beneficial Owner' means a person whose name is recorded as such with a depository;
- ii) 'SEBI' means the Securities and Exchange Board of India;
- iii) 'Bye-laws' means bye-laws made by a depository under Section 26 of the Depositories Act, 1996;
- iv) 'Depositories Act' means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force;

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\* After Article 21, the new Article 21 A was added by Resolution passed at the Annual General Meeting of the Company held on 30th March, 2001.

- v) 'Depository' means a company formed and registered under the Companies Act, 1956, which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;
- vi) 'Record' include the records maintained in the form of books or stored in a computer or in such other form as may be determined by the SEBI;
- vii) 'Regulations' mean the regulations made by the SEBI.
- viii) 'Security' means such security as may be specified by the SEBI.

The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

- i) Dematerialisation of Securities :

The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

- ii) Option for Investors :-

Every holder of or subscriber to securities of the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold his Security with a depository, the Company shall intimate such depository the details of allotment of the security.

- iii) Securities on depositories to be in fungible form :-

All securities of the Company held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities of the Company held by it on behalf of the beneficial owners.

- iv) Rights of depositories and beneficial owners :-

- a) Notwithstanding anything to the contrary contained in the Act a depository shall be deemed to be the registered

owner for the purpose of the effecting transfer of ownership of security of the Company on behalf of the beneficial owner.

- b) Save as otherwise provided in (a) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

v) Service of documents :-

Notwithstanding anything contained in the Act to the contrary, where securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

vi) Transfer of Securities :-

Nothing contained in Section 108 of the Act, shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository

vii) Allotment of securities dealt with in a depository :-

Notwithstanding anything in the Act, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

viii) Distinctive numbers of Securities held in a depository :-

Nothing contained in the Act regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with the depository.

ix) Registers and Index of beneficial owners :-

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to

be the Register and Index of Members and Security holders for the purpose of these Articles;"

**CALLS**

*Board may make calls.*

22. (a) The Board of Directors may from time to time by a resolution passed at a meeting of the Board and not by a circular resolution but subject to the conditions hereinafter mentioned, make such calls as they think fit upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the Company or where payable to a person other than the Company to the person and at the time or times appointed by the Directors. A call may be made payable by instalments. Joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

*Calls on shares of same class to be made on uniform basis.*

(b) Where any calls for share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

*Notice of call.*

23. Fifteen days' notice at the least of every call otherwise than on allotment shall be given specifying the time of payment and if payable to any person other than the Company the name of the person to whom the call shall be paid; provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

*Calls to date from resolution*

24. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.

*Board may extend time.*

25. The Board may from time to time at their discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem entitled to such extension,

but no member shall be entitled to such extension save as a matter of grace and favour.

*Amount payable at fixed time or by instalments as calls.*

26. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times (whether on account of the amount of share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

*When interest on call or instalment payable.*

27. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof or any extension thereof as aforesaid, the holder for the time being or allottee of the share, in respect of which a call shall have been made or the instalment shall be due, shall pay interest on the same at such rate not exceeding 16 per cent per annum as the Board shall fix from the date appointed for the payment thereof to the time of actual payment, but the Board may in their absolute discretion waive payment of such interest wholly or in part.

*Proof on trial of suit for money due on shares.*

28. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any call or other money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

*Judgement, decree or partial payment not to preclude forfeiture.*

29. Neither a judgement 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 thereunder 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 the payment of any money shall preclude the forfeiture of such shares as herein provided.

*Payment in anticipation of calls may carry interest.*

30. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for; and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate to the member paying such sum in advance as the Directors agree upon and the Company may at any time repay the amount so advanced upon giving to such member three months' notice in writing.

#### FORFEITURE, SURRENDER AND LIEN

*If call or instalment not paid notice must be given.*

31. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any extension thereof as aforesaid, the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied, in whole or in part, serve a notice on such member, or on the person (if any) entitled to the share by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

*Terms of Notice*

32. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which the money is to be paid, and the notice shall also state that in the event of the non-payment of such money at the time and place appointed, the shares in respect of which the same is owing will be liable to be forfeited.

*In default of payment, shares to be forfeited.*

33. If the requirement of any such notice shall not be complied with every or any shares in respect of which the notice is given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by resolution of the Directors.

*Notice of forfeiture to member and entry in Register.*

34. When any share is so declared to be forfeited, notice of the forfeiture shall be given to the holder of the share, and an entry of the forfeiture with the date thereof, shall forthwith be made in the



Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

*Forfeited shares to be property of the Company and may be sold etc.*

35. Every share which shall be so declared forfeited shall thereupon be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as the Board shall think fit.

*Power to annul forfeiture.*

36. The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

*Members shall be liable to pay money owing at the time of forfeiture and interest.*

37. Any member whose shares may be forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls and other moneys owing upon the shares at the time of forfeiture together with interest thereof from the time of the forfeiture until payment at nine percent per annum, and the Directors may enforce the payment thereof if they think fit, but shall not be under any obligation to do so.

*Effect of forfeiture.*

38. The forfeiture of a share shall involve the extinction of all interest in, and also of all the claims and demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

*Certificate of forfeiture.*

39. A certificate in writing under the hand of a Director or the Secretary that the call or other moneys in respect of a share was or were due and payable and notice thereof given and that default in payment of the call or other moneys was made, and that the forfeiture of the shares was made by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

*Title of purchaser and allottee of forfeited share*

40. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share, and shall not be bound to see to the application of the consideration, 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, re-allotment or other disposal of the same.

*Director may accept  
surrender of shares.*

41. The Directors may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering on such terms as the Directors may think fit.

*Company's lien on  
shares.*

42. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) or called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that clause 16 hereof is to have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

*As to enforcing lien  
by sale.*

43. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, curator bonis or other legal representatives as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

*Application of proceeds of sale.*

44. The net proceeds of the sale shall be received by the Company and after payment of the costs of such sale, applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall, subject to 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.

## TRANSFER AND TRANSMISSION OF SHARES

*Register of transfers.*

45. The Company shall keep a book, to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

*Form of transfer*

46. Shares in the Company shall be transferred by an instrument in writing in such form as shall from time to time be permissible to be used under the relevant provisions of the Act in that behalf. The Directors may from time to time alter or vary the form of such transfer, but so as to comply with the provisions of the Act in that behalf.

*Transfer not to be registered except on production of instrument of transfer.*

47. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such share certificate is in existence, along with the letter of allotment of the shares; Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

*Directors may refuse to register transfer.*

48. A. Subject to the provisions of Section 111 of the Act, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise 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, and the Company shall within two months from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- B. It is hereby expressly declared that the powers conferred under sub-clause (A) of this Article shall be subject to the provisions of Section 22A of the Securities (Contracts) Regulation Act, 1956 or any statutory modification or re-enactment thereof.

*Application for transfer.*

49. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
- (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purposes of sub-clause (2) above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered in the ordinary course of post.

*To be executed by transferor and transferee*

50. Every instrument of transfer shall be signed both by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

*Transfer by legal representative.*

51. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

*Custody of Transfer.*

52. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

*Closure of transfer books.*

53. The Directors shall have power on giving not less than seven days' previous notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as to them may seem fit.

*Title to share of deceased holder.*

54. The executor or administrator of a deceased member (whether European, Hindu, Mohammedan, Parsi, or otherwise, not being one of two or more joint holders) shall be the only person recognised by the Company as having any title to his shares, and the Company shall not be bound to recognise such executor or administrator unless such executor or administrator, shall have first obtained Probate or Letters of Administration, or other legal representation, as the case may be, from a duly constituted Court in India; or from any authority empowered by any law to grant such other legal representation; Provided that in case, where the Board in their absolute discretion think fit, the Board may dispense with the production of Probate or Letters of Administration or other legal representation, and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member, upon such terms as to indemnity or otherwise as the Directors may deem fit.

*Registration of persons entitled to shares otherwise than by transfer (Transmission Clause).*

55. Subject to the provision of the Act and these Articles, any person becoming entitled to a share in consequence of death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this clause, or of his title, as the board thinks sufficient and upon giving such indemnity as the Directors may require either be registered himself as the holder of the share or elect to have some person nominated by him, and approved by the Board, registered as such holder; Provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained, and, until he does so, he shall not be freed from any liability in respect of the share. This clause is herein referred to as "the Transmission Clause".

*Refusal to register nominee.*

56. Subject to the provisions of the Art and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

*Board may require evidence of Transmission*

57. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified, or until or unless an indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient; Provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.

*Fee on transfer or transmission.*

58. Until otherwise determined by the Board, no fee shall be charged in respect of the transfer or transmission to the same party of any number of shares or debentures of any class or denomination.

*The Company not liable for disregard of a notice prohibiting registration of a transfer.*

59. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made, by an apparent legal owner thereof (as shown, or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company; and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been, entered or referred to in some books of the Company; but the Company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

#### INCREASE, REDUCTION AND ALTERATION IN CAPITAL

*Increase of capital.*

60. (a) The Company may from time to time in General Meeting alter the conditions of its Memorandum by increase of its share capital by the creation of new shares of such amount as it thinks expedient.
- (b) Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and

privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given, as the Directors 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 provided always that any Preference shares may be issued on the terms that they are liable to be redeemed.

*Rights of equity share-holders to further issue of capital.*

61. Subject to the provisions of Section 81 and other applicable provisions (if any) of the Act, where it is proposed to increase the subscribed capital of the Company by the issue of new shares, then subject to any directions to the contrary which may be given by the Company in General Meeting and subject only to those directions :-

- (a) such new shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
- (b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
- (c) the offer aforesaid 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; and the notice referred to in sub-clause (b) shall contain a statement of this right; but so that the person in whose favour any such shares may be renounced shall be such as the Directors may in their absolute discretion approve of, and in case the Directors may not so approve of any such person, the renunciation of any such shares in his favour shall not take effect;
- (d) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

*Same as original Capital.*

62. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original equity capital and shall be subject to the provision herein contained with reference to the payment of calls

and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

*Restriction on purchase by Company of its own shares.*

- \* 63 (1) Notwithstanding anything contained in these Articles and in pursuance of Sections 77A, 77AA and 77B of the Act, the Company may, when and if thought 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, and approvals as may be required under the provisions of the Act.
- (2) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of, or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
- (3) Nothing in this Article shall affect the right of the Company to redeem any redeemable Preference shares issued under Article 64 or under Section 80 or other relevant provisions (if any) of the Act or of any previous Companies Law.

*Provision in case of redeemable Preference shares.*

64. On the issue of redeemable Preference shares under the provisions of Article 60 the following provision shall take effect :-
- (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's Share Premium Account, before the shares are redeemed;
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend be transferred to a Reserve Account to be called "The Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall except as provided under Section 80 of the Act or herein apply as if the Capital Redemption Reserve Account were paid up share capital of the Company;

\* Altered by Resolution passed at the Annual General Meeting held on 17th April, 2012



*Reduction of Capital*

- (e) Subject to the provisions of Section 80 of the Act and this Article, the redemption of Preference shares hereunder may be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may think fit.

*Consolidation division and sub-division.*

65. The Company may (subject to the provisions of Sections 100 to 105 of the Act) from time to time by Special Resolution reduce its share capital or any Capital Redemption Reserve Account or Share Premium Account in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

66. The Company may in General Meeting alter the conditions of the Memorandum as follows:-

- (a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.
- (b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, subject nevertheless to the provision of the Act and of these Articles.
- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

*Issue of further pari passu shares not to affect the right of shares already issued.*

67. The right 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 the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith, but in no respect in priority thereto.

**MODIFICATION OF CLASS RIGHTS***Power to modify rights.*

68. (1) 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 Sections 106 and 107 of the Act, 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 the separate meeting of the holders of the shares of that class.

- (2) To every such separate general meeting, the provisions of these regulations relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be five persons at least holding or representing by proxy one-third of the issued shares of the class in question.
- (3) 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.

#### JOINT HOLDERS

##### *Joint Holders.*

69. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with the benefits of survivorship subject to the following and other provisions contained in these Articles:-

*Company may refuse to register more than six person*

- (a) The Company shall be entitled to decline to register more than six persons as the joint holders of any share.

*Joint and several liabilities for all payments in respect of shares.*

- (b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

*Title of survivors.*

- (c) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

*Receipt of one sufficient*

- (d) Only the person whose name stands first in the Register may give effectual receipts of any dividends or other moneys payable in respect of such shares.

*Delivery of certificate and giving notice to first named holder*

- (e) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the Certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 210) from the Company and any document served on or sent to such person shall be deemed service on all joint holders.

*Votes of joint holders.*

- (f) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of

such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting, provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint holders.

*Nomination*

- \* 69A (i) Notwithstanding anything contained in these articles, every holder of shares or debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom these shares or debentures shall vest in the event of his death and the provisions of Sections 109A and 109B of the Act shall apply in respect of such nomination.

**BORROWING POWERS**

*Power to borrow*

70. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have power from time to time at their discretion to accept deposits from members of the Company either in advance of call or otherwise and generally to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company; Provided that the aggregate of the amount raised, borrowed or secured at any time together with the moneys already borrowed by the Company (apart from temporary loans as defined in Section 293 of the Act, obtained from the Company's bankers in the ordinary course of business) and remaining outstanding and undischarged at that time shall not, without

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\* Altered by Resolution passed at the Annual General Meeting held on 30th March, 2001

the consent of the Company in General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

*Conditions on which  
money may be borrowed.*

71. Subject to the provisions of the Act and these Articles, the Directors may by a resolution at a meeting of the Board (and not by circular resolution) raise and 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 bonds, perpetual or redeemable debentures, debenture stock, or any mortgage or charge or other security on the undertaking or on the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

*Bonds debentures etc.  
to be subject to control  
of Board.*

72. Any bonds, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

*Securities may be  
assignable free from  
equities.*

73. Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

*Issue at discount etc.  
or with special privileges.*

74. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending at General Meetings, appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

*Mortgage of uncalled  
capital.*

75. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

*Indemnity may be given.*

76. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage charge or security over or affecting the

whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

*Register of Charges.*

77. A proper Register of Mortgages and Charges shall be kept by the Company under Section 143 of the Act, and the provisions of Sections 118, 125 and 127 to 144 shall be duly complied with in respect of all mortgages and charges and the satisfaction thereof.

## STATUTORY MEETINGS AND GENERAL MEETINGS

### STATUTORY MEETINGS

*Statutory Meeting.*

78. The statutory meeting of the Company shall be held at such place and time (not less than one month nor more than six months from the date on which the Company is entitled to commence business) as the Directors may determine, and in connection therewith, the Directors shall comply with the provisions of Section 165 of the Act.

### GENERAL MEETINGS

*Annual General Meeting.*

79. (1) The Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting, and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next:

Provided that the Company may hold its first Annual General Meeting within a period of not more than 18 months from the date of its incorporation; and if such General Meeting is held within that period, it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following year:

Provided further that if the Registrar may, for any special reason, extend the time within which any Annual General Meeting (not being the first Annual General Meeting) shall be held, by a period not exceeding three months, then such Annual General Meeting may be held within such extended period.

- (2) Every Annual General Meeting shall be called for a time during business hours, and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City of Bombay.

*Extraordinary General Meeting.*

80. (1) All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- (2) The Board of Directors may, whenever it thinks fit, call an Extraordinary General Meeting.

*Calling of Extraordinary General Meeting on requisition*

81. (1) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at the date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.
- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- (3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (1) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.
- (5) If the Board of Directors does not, within twenty-one days, from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in sub-clause (1) above whichever is less.
- (6) A meeting called under sub-clause (5) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.

- (7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

*Notice of Meeting.*

82. (1) A General Meeting of the Company may be called by giving not less than 21 days notice in writing.
- (2) However, a General Meeting may be called after giving a shorter notice than 21 days, if the consent is accorded thereto.
- (i) in the case of Annual General Meeting by all the members entitled to vote thereat; and
- (ii) in the case of any other meeting, by members of the Company holding not less than 95% of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former Resolution or Resolutions but not in respect of the latter.

*Contents of notice.*

83. (1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy, to attend and vote instead of himself, and that a proxy need not be a member of the Company.

*Special business.*

84. (a) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to :-
- (i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and of the Auditors;
- (ii) the declaration of dividend;
- (iii) the appointment of Directors in place of those retiring;

- (iv) the appointment and the fixing of the remuneration of Auditors;
- (b) In the case of any other meeting all business shall be deemed special;
- (c) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager, if any.

Provided, however, that where any item of special business as aforesaid to be transacted at a Meeting of the Company relates to, or affects, any other company, the extent of shareholding interest in that other company of every Director and the Manager, if any, of the Company shall also be set out in the Explanatory Statement, if the extent of such shareholding interest is not less than 20 (twenty) per cent of the paid-up capital of that other company.

- (d) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the Explanatory Statement.

*Passing of Resolutions  
by Postal Ballot.*

- \* 84A Notwithstanding anything contained in these Articles, pursuant to Section 192A of the Companies Act, 1956, the Company may, and in the case of matters relating to such business as the Central Government may, by notification, declare, or any other statutory authority stipulate to be conducted only by postal ballot (including voting by electronic mode), shall, get any resolution passed by means of a postal ballot (including voting by electronic mode) instead.

If a resolution is assented by the stipulated majority of the shareholders by means of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at a General Meeting in that behalf.

*Service of notice.*

- 85. Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of

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\* Insertion of new Article No 84A by Resolution passed at the Annual General Meeting held on 23rd April, 2003.



the Act and these Articles. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the Explanatory Statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that a statement has been forwarded to the members of the Company.

*Notice to be given to the Auditors.*

86. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act.

*As to omission to give notice.*

87. The accidental omission to give notice of any meeting to, or the non-receipt of any notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

*Resolution requiring special notice.*

88. Where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company, and by the Company to the members, as provided in Section 190 of the Act, which section shall otherwise also be duly complied with.

#### PROCEEDINGS AT GENERAL MEETING

*Quorum at General Meeting.*

\* 89. At least five members present in person shall be the quorum for a meeting of the Company, but so that if any of such five members be a body corporate, it shall be entitled to be present by a representative duly authorised by it in accordance with Section 187 of the Act.

Provided, however, that no quorum for a meeting of the Company shall be formed unless the following persons shall be present thereat, namely a person authorized by the said Aktiebolaget

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\* Substitution of the new Article by Resolution passed at the Annual General Meeting of the Company held on 23rd April, 2009.

Sevenska Kullagerfabriken (now known as Aktiebolaget SKF) or the Skefko Ball Bearing Company Limited of Luton, England (now known as SKF (U.K.) Limited of Luton, England), to act as its representative in accordance with Section 187 of the Act:

Provided further that if at any time or times any of the aforesaid two bodies corporate may, on grounds of convenience or otherwise think fit not to have its representative present at any General Meeting of the Company for the purpose of forming a quorum for such meeting as aforesaid, then upon its giving previous intimation to the Company in writing, its representative as aforesaid need not be present at such meeting for the purpose of forming a quorum thereof as aforesaid.

*If quorum not present, meeting to be dissolved or adjourned.*

90. If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved. In any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place in Bombay as the Board may determine.

*Adjourned meeting to transact business.*

91. If at any adjourned meeting also a quorum is not present within half an hour of the time appointed for holding the meeting, the members present, whatever their number or the amount of the shares held by them, shall be a quorum and shall have power to decide upon all the matters which could properly have been disposed of at the meeting from which the adjournment took place.

*Chairman of Directors or Vice-Chairman or a Director to be Chairman of General Meeting.*

92. The Chairman (if any) of the Board of Directors shall, if willing, preside as Chairman at every General Meeting, whether Annual or Extraordinary, but if there be no such Chairman, or in case of his absence or refusal, the Vice-Chairman (if any) of the Board of Directors shall, if willing, preside as Chairman at such meeting and if there be no such Vice-Chairman, or in case of his absence or refusal, some one of the Directors (if any be present) shall be chosen to be Chairman of the meeting.

*In case of their absence or refusal, a member may act.*

93. If at any meeting a quorum of members shall be present, and the chair shall not be taken by the Chairman of the Board or by the Vice-Chairman or by a Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the chair, the members present shall choose one of their own member to be Chairman of the meeting.

*Business confined to election of Chairman whilst chair vacant.*

94. (1) No business shall be discussed at any General meeting except the election of a Chairman whilst the chair is vacant.
- (2) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles, the Chairman so elected on a show of hands exercising all the powers of the Chairman under the Act and these Articles.
- (3) If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of the meeting.

*Chairman with consent may adjourn meeting.*

95. The Chairman may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting adjourn any meeting from time to time and from place to place in Bombay but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

*Notice to be given where a meeting adjourned for 30 days or more.*

96. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

*What would be evidence of the passing of a resolution where poll not demanded.*

97. At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

*Demand for poll.*

98. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company
- (i) which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or

(ii) on which an aggregate sum of not less than fifty thousand rupees has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

*Time and manner of taking poll.*

99. (1) Except on the question of the election of a Chairman or adjournment as aforesaid, a poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when the demand was made, as the Chairman may direct.

(2) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(3) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

*Scrutineers at poll.*

100. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two scrutineers, appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

*Demand for poll not to prevent transaction of other business.*

101. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

*Motion how decided in case of equality of Votes.*

102. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

*Reports, Statements and Register to be laid on the table.*

103. 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 (if not already incorporated in the audited Statement of Accounts), the Proxy Register with proxies and the

*Registration of certain  
Resolutions and  
Agreements.*

Register of Directors' Holdings maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

104. A copy of each of the following Resolutions (together with a copy of the Statement of material facts annexed under Section 173 to the notice of the meeting in which such Resolution has been passed) or Agreements shall, within thirty days after the passing or making thereof, be printed or typewritten and duly certified under the signature of an Officer of the Company and filed with the Registrar :-

- (a) special resolutions;
- (b) resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;
- (c) resolution of the Board or Agreement relating to the appointment, re-appointment or the renewal of the appointment or variations of the terms of appointment of a Managing Director;
- (d) resolutions or agreements which have been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members;
- (e) resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (1) of Section 484 of the Act.
- (f) resolutions passed by a Company according the consent to the exercise by its Board of Directors of any of the powers under clause (a), clause (d) and clause (e) of sub-section (1) of Section 293 of the Act; and
- (g) resolutions passed by a Company approving the appointment of sole Selling Agents under Section 294 of the Act.

A copy of every Resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred

to in the above items (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after the passing of the Resolution or the making of the Agreement.

*Minutes of General Meetings.*

105. The Company shall cause Minutes of all proceedings of every General Meeting and of all proceedings of every Meeting of its Board of Directors or of every Committee of the Board, to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed (a) in the case of Minutes of proceedings of a meeting of the Board or of a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting, and (b) in the case of Minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of 30 days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the board for that purpose. In no case the Minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

*Inspection of minute books of General Meetings.*

106. The book containing the Minutes of General Meeting minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within the period prescribed by the Act after he has made a request in that behalf to the Company with a copy of the minutes referred to on payment of thirty seven naye paise per every one hundred words or fractional part thereof required to be copied.

*Publication of reports of proceedings of General Meetings.*

107. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 193 of the Act to be contained in the minutes of the proceedings of such meetings.

#### VOTES OF MEMBERS

*Votes may be given by proxy or attorney.*

108. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the

case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 110.

*Votes*

- 109. Subject to the provisions of the Act (and particularly of Sections 87, 88 and 92(2) thereof) and of these Articles:-
  - (1) upon a show of hands every member holding equity shares and entitled to vote and present in person (including an attorney or proxy of a corporation or a representative of a company as mentioned in Article 110) shall have one vote;
  - (2) upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of the Company;
  - (3) upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.

*No voting by proxy on show of hands.*

110. No member not personally present shall be entitled to vote on a show of hands unless such member is a corporation present by attorney or proxy or a company present by representative duly authorised under Section 187 of the Act in which case such attorney proxy or representative may vote on a show of hands as if he were an individual member of the Company.

*No members to vote unless calls are paid up.*

111. Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or be reckoned in a quorum or to exercise any other privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company had been paid.

*Votes in respect of shares of deceased insolvent members.*

112. Any person entitled under the Transmission Clause (Article 55 hereof) to transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

*Right of members to use his votes differently.*

113. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

*How members non compos mentis, or minors may vote.*

114. If any shareholder be a lunatic, idiot or non compos mentis, the vote in respect of his share or shares shall be by his committee or other legal guardian and if any shareholder be a minor, the vote only in respect of his share or shares shall be by his guardian or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

*Proxies.*

115. (1) Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote on a poll instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

(2) Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a body corporate, be under its Seal or be signed by an officer or an attorney duly authorised by it,

*Deposit of instrument of appointment.*

116. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company or such place or places (if any) as may be specified for that purpose in the notice convening the meeting not less than fortyeight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than fortyeight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing





the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

*Validity of votes given by proxy notwithstanding death etc. of members.*

120. A vote given in accordance with the terms of an instrument of proxy or by an attorney shall be valid, notwithstanding the previous insanity or lunacy or death of the principal or revocation of the proxy or power of attorney, as the case may be, or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the insanity, or lunacy, death, revocation or transfer shall have been received at the office before the meeting.

*Time for objection to votes*

121. Subject to the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote, whether given personally, or by proxy or by any means hereby authorised and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

*Chairman of any meeting to be the judge of validity of any vote.*

122. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. Subject as aforesaid the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## DIRECTORS

*Number of Directors.*

\* 123. Until otherwise determined by a General Meeting, the number of Directors shall not be less than three nor more than thirteen.

*First Directors.*

124. The First Directors of the Company shall be :-

- |                           |                            |
|---------------------------|----------------------------|
| (a) Mr. A. D. Shroff      | (b) Mr. J. Higham          |
| (c) Mr. S. Moolgaokar     | (d) Mr. N. M. Wagle        |
| (e) Mr. A. Hydari         | (f) Mr. P. T. Grufman, and |
| (g) Mr. N. A. Palkhivala. |                            |

*Debenture Director.*

125. Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture stock of

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\* Substitution of second line thereof the word "twelve" by the word "thirteen" in Article 123 by Resolution passed at the Annual General Meeting held on 20th September, 1993.

some person to be a Director of the Company and may empower such trustees or holders or debentures or debenture stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or subject to the provisions of the Act be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

- 126. Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), The New India Assurance Company Limited (NIA), The Oriental Fire and General Insurance Company Limited (DFGI), United India Insurance Company Limited (UI), National Insurance Company Limited (NIC), Unit Trust of India (UTI), (each of the above is hereinafter in this Article referred to as "the Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold debentures/shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantees furnished by the Corporation on behalf of the Company remaining outstanding, the Corporation shall have the right to appoint from time to time, pursuant to agreement between the Corporation and the Company, any person or persons as the Director or Directors, whole-time or nonwhole-time, (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place(s).

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation

such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or the satisfaction of the liability of the Company arising out of the guarantee furnished to the Company.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and to attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such whole-time Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation, subject to shareholders' approval accorded in general meeting and of the Central Government.

*Appointment of Alternate Director.*

127. The Board of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State of Maharashtra provided that no person shall be appointed as an Alternate Director unless the Original Director shall have previously signified his approval in writing of the appointment of such person. An Alternate Director appointed under this Article shall not hold office as such for a longer period than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State of Maharashtra. If the term of office of the Original Director is determined before he so returns to the State of Maharashtra, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

*Casual vacancy.*

128. Subject to the provisions of Sections 262 and 284(6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Directors but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

*Appointment of Additional Director.*

129. Subject to the provisions of Sections 260 and 284(6) and other applicable provisions (if any) of the Act, the Directors shall have power at any time, and from time to time, to appoint a person as an additional Director. The additional Director shall retire from office at the next following Annual General Meeting, but shall be eligible for election by the Company at that meeting as a Director.

*Qualification of Directors.*

130. A Director of the Company shall not be bound to hold any qualification shares.

*Remuneration of Directors.*

\* 131. (1) The fee payable to a Director for attending a meeting of the Board or Committee thereof shall not exceed the maximum sum as may be prescribed by the Central Government from time to time which could be paid without its approval. The Directors, may allow and pay to any Director, for the purpose of attending the meetings of the Board or of its Committees, such sum as the Directors may consider fair compensation for his expenses actually incurred in connection therewith, in addition to the fee for attending such meeting as above specified."

*Special remuneration to Director going out of Mumbai on Company's business.*

(2) Subject to the limitations provided by the Act and these Articles, if any Director shall be called upon to go or reside out of Mumbai on the Company's business, or otherwise perform extra services outside the scope of his ordinary duties the Board may arrange with such Director for such special remuneration for such services, either by way of salary, commission, or the payment of a stated sum of money as they shall think fit, in addition to or in substitution for his remuneration above provided, and all the Directors shall be entitled to be paid or re-imbursed or re-paid any travelling or other expenses incurred or to be incurred in connection with the business of the Company.

(3) Subject to the provisions of the Act, a Director who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either-

- (a) by way of a monthly, quarterly or annual payment with the approval of the Central Government, or
- (b) by way of commission if the Company by a Special Resolution authorises such payment.

Provided that the remuneration paid to such Director or where there is more than one such Director, to all of them together, shall not exceed -

- (i) one percent of the net profits of the Company, if the Company has a, Managing or a Whole-time Director or a Manager;
- (ii) three percent of the net profits of the Company in any other case.

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\* Substitution of Article 131 (1) by Resolution passed at the Annual General Meeting of the Company held on 22nd April, 2004.

*Directors may act notwithstanding vacancy*

132. The continuing Directors may act notwithstanding any vacancy in their body; but so that, subject to the provisions of the Act, if the number falls below the minimum above fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for summoning a General Meeting of the Company.

*When office of Director to be vacated.*

133. (1) subject to Section 283(2) of the Act, the office of a Director shall become vacant if:

- (a) he is found to be of unsound mind by a court of competent jurisdiction; or
- (b) he applies to be adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with other, within six months from the last date fixed for the payment of the call; unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or
- (e) any office or place of profits under the Company or any Subsidiary thereof is held in contravention of Article 139 or Section 314(1) of the Act and the Director shall have been deemed to have vacated office in terms of the said Article or Section;
- (f) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or
- (g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board of Directors; or
- (h) he becomes disqualified by an Order of Court under Section 203 of the Act; or
- (i) he is removed in pursuance of Article 149 or Section 284 of the Act; or

- (j) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed under the Act to have vacated office; or
- (k) he is punished with imprisonment for a term of not less than six months in respect of an offence involving moral turpitude for which he is convicted by a Court; or
- (l) he having been appointed a Director by virtue of his holding office or other employment in the Company he ceases to hold such office or other employment in the Company.

*Resignation.*

- (2) Subject to the provisions of the Act a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

*Directors may contract with Company.*

134. (1) Subject to the provisions of sub-clauses (2), (3), (4), (5) and (6) of this Article and the restrictions imposed by Article 141 and the other Articles hereof and the Act (and particularly of Section 314 of the Act) and the observance and fulfilment thereof, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director, so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by sub-clauses (2), (3) and (4) hereof except in the case referred to in sub-clause (5) hereof.

*Disclosure of interest.*

- (2) Every Director, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by sub-clause (4) hereof.
- (3) (a) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under



sub-clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

*General notice of interest.*

(4) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with the body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(5) Nothing in the above sub-clauses (2), (3) and (4) shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together hold not more than two percent of the paid up Share Capital in the other company.

*Interested Director not to participate or vote in Board's proceedings.*

(6) An interested Director shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, directly or indirectly concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void;

Provided that this prohibition shall not apply to:-

- (i) any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;
- (ii) any contract or arrangement entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely (a) in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company; or (b) in his being a member holding not more than two percent of the paid-up Share Capital of the Company;
- (iii) in case a notification is issued under sub-section (3) of Section 3D0 of the Act to the extent specified in the notification.

*Register of contracts in which Directors are interested.*

135. (1) The Company shall keep one or more Registers in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies, including the following particulars to the extent they are applicable in each case, namely:-
- (a) the date of the contract or arrangement;
  - (b) the names of the parties thereto;
  - (c) the principal terms and conditions thereof;
  - (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;
  - (e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- (2) Particulars of every such contract or arrangement to which Section 297 of the Act or, as the case may be, sub-section (2) of Section 299 of the Act applies, shall be entered in the relevant Register aforesaid -

- (a) in the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;
  - (b) in the case of any other contract or arrangement, within seven days of the receipt at the registered office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement, whichever is later; and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.
- (3) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
  - (4) Nothing in the foregoing sub-clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of the goods, materials or services if the value of such goods and materials or the cost of such services does not exceed one thousand rupees in the aggregate in any year.

*Directors may be  
Directors of companies  
promoted by Company.*

136. A Director may become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise, and subject to the provisions of the Act and these Articles, no such Director shall be accountable for any benefits received as director or shareholder of such company.

*Disclosure by directors of  
appointments.*

137. A Director, Managing Director, Manager or Secretary of the Company shall within twenty days of his appointment to or relinquishment of his office as director, managing director, manager or secretary in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303(1) of the Act. The Company shall enter the aforesaid particulars in a register kept for that purpose in conformity with Section 303 of the Act.

*Disclosure of holdings.*

138. A Director or Manager of the Company shall give notice in writing to the Company of his holding of shares and debentures of the Company or its Subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 307 of

the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter particulars of a Directors' and Managers' holding of shares and debentures as aforesaid in a register kept for that purpose in conformity with Section 3D7 of the Art.

*Directors not to hold office or place of profit.*

139. No Director or other persons mentioned in Sub-Section (1) (b) of Section 314 of the Act shall hold any office or place of profit under the Company or any subsidiary of the Company, except in accordance with the provisions of that Section, which shall be fully complied with in all respects.

*Loans to Directors*

140. The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 295 and other applicable provisions (if any) of the Act.

*Board resolution necessary for certain contracts.*

141. (1) Except with the consent of the Board of Directors of the Company a Director of the Company or his relative, a firm in which such a Director or a relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company (a) for the sale, purchase or supply of any goods, materials or services or (b) for underwriting the subscription of any shares in, or debentures of, the Company.

(2) Nothing contained in the foregoing sub-clause (1) shall affect:-

- (a) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business;

Provided that such contract or contracts do not relate to goods and materials the value of which, or services the cost of which,

exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

- (3) Notwithstanding anything contained in the foregoing sub-clauses (1) and (2) a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (4) If consent is not accorded to any contract under this clause, anything done in pursuance of the contract shall be voidable at the option of the Board.
- (5) The Director or such other person as aforesaid so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relationship thereby established.

#### RETIREMENT AND ROTATION OF DIRECTORS

*Retirement by rotation.*

142. (1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and, save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.

(2) The remaining Directors shall be appointed in accordance with the provisions of these Articles.

(3) At the first General Meeting of the Company all the Directors of the Company as are liable to retire by rotation and at every subsequent Annual General Meeting one-third of such of the Directors for the time being as 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.

*Directors to retire annually how determine.*

143. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Articles at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default

*Ascertainment of Directors retiring by rotation.*

of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his re-appointment is decided or his successor is appointed.

*Eligibility for reappointment.*

144. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.

*Company to fill up vacancy.*

145. Subject to the provisions of Section 261 and the other applicable provisions (if any) of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

*Provision in default of appointment.*

146. (1) 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 till 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.

(2) If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:-

- (a) at the meeting or at the previous meeting a resolution for re-appointment of such Director has been put to the meeting and lost;
- (b) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (c) he is not qualified or is disqualified for appointment;
- (d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act;
- (e) Article 148 or sub-section (2) of Section 263 of the Act is applicable to the case.

*Notice of candidature for office of Director.*

147. (1) Subject to the provisions of the Act and these Articles, any person who is not a retiring director shall be eligible for appointment to the office of a director at any General Meeting if he or some member intending to propose him has, at least fourteen clear

days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit, of five hundred rupees which shall be refunded to such person, or as the case may be, to such member if the person succeeds in getting elected as a Director.

- (2) Every person (other than a Director retiring by rotation or otherwise, or a person who has left at the office of the Company, a notice under section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a director, if appointed.
- (3) A person other than:
- (a) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
  - (b) an additional or alternate director, or a person filling a casual vacancy in the office of a director under Section 262 of the Act, appointed as a director or re-appointed as an additional or alternate director, immediately on the expiry of his term of office; or
  - (c) a person named as a director of the Company under its Articles as first registered:

shall not act as a director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

*Individual resolution for Directors' appointment.*

148. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time to its being so moved: Provided that where a resolution so moved is passed no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

## REMOVAL OF DIRECTORS

### *Removal of Directors*

149. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.
- (2) Special notice as provided by Article 89 or Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to member of the Company state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company, and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; Provided that copies of the representations need not be sent or read out at the meeting if on the applications either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 128 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided special notice of the intended appointment has been, given under sub-clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.



- (6) If the vacancy is not filled under sub-clause (5) it may be filled as a casual vacancy in accordance with the provision in so far as they are applicable, of Article 128 or Section 262 of the Act, and all the provisions of that Section shall apply accordingly.
- (7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.
- (8) Nothing contained in this Article shall be taken:-
- (a) As depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or
  - (b) as derogating from any power to remove a Director which may exist apart from this Article.

#### INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS

*The Company may increase or reduce number of Directors.*

150. Subject to the provisions of the Act and these Articles, the Company may by Ordinary Resolution from time to time increase or reduce the number of Directors within the limits fixed by Article 123.

#### PROCEEDINGS OF DIRECTORS

*Meetings of Directors.*

151. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meeting and proceedings as they think FIT. The Managing Director or the Secretary who may at any time and at the request of a Director shall convene a meeting of the Board.

*Notice of meetings.*

152. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director. Subject as aforesaid notice of every such meeting shall be given to any Director not for the time being in India by telegram or cable at his address registered with the Company. The accidental omissions to give notice of any such meeting of the board of Directors to a Director shall not invalidate any resolution passed at any such meeting.

*Quorum.*

153. Subject to the provisions of Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two, shall be the quorum during such time. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

*Adjournment of meeting for want of quorum.*

154. If a meeting of the Board cannot be held for want of a quorum, then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix.

*Chairman.*

155. (a) The said Aktiebolaget Sevnska Kullager Fabriken shall always select the person who shall act as the Chairman of the meetings of the Directors and such Chairman shall hold that office until otherwise determined by the said Swedish Company.

*Appointment of Vice-Chairman.*

(b) The Directors may appoint a Vice-Chairman of the Board of Directors to preside at meetings of the Directors at which the Chairman shall not be present.

*Who to preside at meetings of the Board.*

156. All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same the Vice-Chairman, if present, shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

*Question at Board Meeting how decided (casting vote).*

157. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes the Chairman of the meeting (whether the Chairman or Vice-Chairman appointed by virtue of these Articles or the Director presiding at such meeting) shall have a second or casting vote.

*Director may appoint Committee.*

158. Subject to the provisions of Section 292 of the Act and Article 165 the Directors may delegate any of their powers, to committees consisting

of such member or members of their body as they think fit, and they may from time to time revoke and discharge any such committee, either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act, the Board 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 Board in terms of these Articles, and may pay the same.

*Meetings of Committees  
how to be governed.*

159. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

*Resolution by Circulation.*

160. (1) A resolution passed by circular, without a meeting of the Board or Committee of the Board appointed under Article 158 shall subject to the provisions of sub-clause 2 hereof and the Act be as valid and effectual as a resolution duly passed at a meeting of the Directors or of a Committee duly called and held.

(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee at their respective addresses registered with the Company and has been approved by a majority of the Directors or members of the Committee as are entitled to vote on the resolution.

*Acts of Board or committee  
valid notwithstanding defect  
in appointment.*

161. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed, and was qualified to be a Director.

*Minutes of proceedings  
of Board of Directors and  
Committees to be kept.*

162. The Company shall cause Minutes of the Meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the provisions of Article 105 hereof. The Minutes shall contain a fair and correct summary of the proceedings at the meeting including the following:-

- (i) the names of the Directors present at the meeting of the Board of Directors or of any Committee of the Board;
- (ii) all orders made by the Board of Directors and Committee of the Board and all appointment of officers and Committees of Directors.
- (iii) all resolutions and proceedings of meetings of the Board of Directors and the Committees of the Board;
- (iv) in the case of each resolution passed at a meeting of the Board of Directors or Committees of the Board, the names of the Directors, if any dissenting from or not concurring in the resolution.

*Board Minutes to be evidence.*

163. Any minutes of any meeting of the Board of Directors or of any committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purpose whatsoever prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place.

#### POWERS OF DIRECTORS

*General powers of the  
Directors.*

164. (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting; Provided further that in exercising any such power or doing any such act or thing the

Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

- (2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

*Consent of Company  
necessary for the exercise  
of certain powers*

165. The Board of Directors shall not except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.
- (b) remit, or give time for the repayment of, any debt due by a Director.
- (c) invest otherwise than in trust securities, the sale proceeds resulting from the acquisition without the consent of the Company of any such undertaking as is referred to in sub-clause (a) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) borrow moneys in excess of the limits provided in Article 7D.
- (e) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the Act during the three financial years, immediately preceding, whichever is great.

*Certain powers to be  
exercised by the Board  
only at meeting.*

166. (1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board:-

- (a) The power to make calls on shareholders in respect of money unpaid on their shares;

- (b) The power to issue debentures;
- (c) The power to borrow moneys otherwise than on debentures;
- (d) The power to invest the funds of the Company;
- (e) The power to make loans.

Provided that the Board may by resolution passed at meeting delegate to any Committee of Directors or the Managing Director or the Manager or any other principal officer of the Company or to a principal officer of any of its branch offices, the power specified in (c), (d) and (e) of this sub-clause to the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in sub-clause (1)(c) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.

Provided, however, that where the Company has an arrangement with its Bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise, the actual day to day operation of the overdraft, cash credit or other accounts by means of which the arrangement is made is availed of shall not require the sanction of the Board.

- (3) Every resolution delegating the power referred to in sub-clause (1)(d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.
- (4) Every resolution delegating the power referred to in sub-clause (1)(e) shall specify the total amount upto which loans may be made by the delegate, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
- (5) Nothing in this Article contained shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in (a), (b), (c), (d) and (e) of clause (1) above.

*Certain powers of the Board.*

- 167. Without prejudice to the powers conferred by Article 164 and so as not in any way to limit or restrict those powers, and without prejudice

to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding two Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power:-

*To pay commission and interest.*

(1) To pay commission or interest lawfully payable thereout under the provisions of Sections 76 and 2D8 of the Act and Article 17.

*To acquire property.*

(2) Subject to the provisions of Sections 292, 297 and 360 of the Act and Articles 166 and 141 to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(3) Subject to the provisions of the Act, to purchase, or take on lease for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such price or rent, and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition proceedings to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(4) To erect and construct, on the said land or lands, buildings, houses, warehouses, and sheds and to alter extend and improve the same; to let or lease the property of the Company, in part or in whole, for such rent, and subject to such conditions, as may be thought advisable; to sell such portions of the lands or buildings of the Company as may not be required for the purposes of the Company; to mortgage the whole or any portion of the property of the Company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.

*To pay for property in debentures and otherwise.*

(5) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or

other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- To insure.* (6) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell assign surrender or discontinue any policies of assurance effected in pursuance of this power.
- To open account with Bank.* (7) To open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from any such account from time to time as the Directors may think fit.
- To secure contracts by mortgage.* (8) To secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- To purchase moveable or immovable property, etc.* (9) To purchase or otherwise acquire for the Company any property (moveable or immovable) rights, or privileges, at or for such price or consideration and generally on such terms and conditions as they may think fit.
- To accept surrender of shares.* (10) To accept from any member, so far as may be permissible by law, a surrender of his shares, or any part thereof, on such terms and conditions as shall be agreed.
- To appoint Trustees.* (11) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- To bring and defend actions etc.* (12) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and all so to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company, and to refer any claims or demands by or against the Company or any differences to arbitration and observe and perform any awards



made thereon, and any reference to arbitration may be in accordance with the provisions of the Indian Arbitration Act or the Rules of the International Chamber of Commerce relating to arbitration or otherwise.

*To act in insolvency matters.*

(13) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(14) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.

*To invest moneys.*

(15) Subject to the provisions of Sections 292, 293(1)(c), 295, 369, 370, and 372 of the Act and Articles 165(c) and 166(d) to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Provided that save as permitted by Section 49 of the Act, all investments shall be made and held in the Company's own name.

*To act in insolvency matters.*

(16) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

*To authorise acceptances.*

(17) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptance, endorsements, cheques, dividend warrants, releases, contracts, and documents, and to give the necessary authority for such purpose.

*To distribute bonus.*

(18) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.

*To provide for welfare of employees.*

(19) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company or its predecessors in business and the wives, widows and families or the dependents

or connections of such persons by building or contributing to the building of houses or dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profits sharing or other schemes, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries medical and other attendances and other assistance as the Directors shall think fit.

*To subscribe to charitable and other funds.*

- (20) Subject to the provisions of Sections 293 and 293A of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other institutions objects or purposes or for any exhibition.

*To create depreciation and other funds.*

- (21) Before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation to a Depreciation Fund, General Reserve, Reserve Fund, Sinking Fund or any special or other fund or funds or accounts to meet contingencies, to repay redeemable Preference Shares, debentures or debenture stock, for special dividends, for equalising dividends, for repairing, improving, extending and maintaining any part of the property of the Company, and/or for such other purposes, (including the purposes referred to in the last two preceding sub-clauses) as the Directors may, in their absolute discretion think conducive to the interests of the Company, and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit; and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets

constituting all or any of the above funds or accounts, including the Depreciation Fund, in the business, of the Company or in the purchase or repayment of redeemable Preference Shares, debentures or debenture stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow interest on the same, with power however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

*To appoint employees.*

- (22) To appoint, and at their discretion remove or suspend such managers, secretaries, executives, consultants, advisers, officers, assistants, clerks, agents, and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, emoluments or remuneration and to require security in such instances and to such amount as they may think fit.

*Local Board.*

- (23) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards or any managers or agents and to fix their remuneration.

*Delegation.*

- (24) Subject to the provisions of Section 292 of the Act and Article 166 from time to time, and at any time to delegate to any manager, or agents so appointed, any of the powers, authorities and discretions for the time being vested in the Board of Directors, and any such appointment or delegation under this sub-clause may be made on such terms and conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed and may annul or vary any such delegation.

*Power of Attorney.*

- (25) At any time and from time to time by power of attorney to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the powers which may be exercised only by the Board of Directors under the Act or these Articles) and for such period and subject to such conditions as the Board of Directors may from time to time think fit, and any such appointment may (if the Board of Directors think fit) be made in favour of the members or any of

the members of any Local Board, established as aforesaid or in favour of any company, or the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Board of Directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board of Directors may think fit and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

*To delegate.*

- (26) Generally subject to the provisions of the Act and these Articles to delegate the powers authorities and discretions vested in the Directors to any person, firm, company or fluctuating body of persons as aforesaid.

*May make contracts.*

- (27) Subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

#### REGISTERS, BOOKS AND DOCUMENTS

*Registers Books and Documents.*

168. (1) The Company shall maintain Registers, Books and Documents as required by the Act or these Articles including the following namely:-
- (a) Register of Investments not kept in Company's name according to Section 49 of the Act.
  - (b) Register of Mortgages, Debentures and Charges according to Section 143 of the Act.
  - (c) Register of Members and an Index of Members according to Sections 150 and 151 of the Act.
  - (d) Register and Index of Debentureholders according to Section 152 of the Act.
  - (e) Register of Contracts, Companies and Firms in which Directors are interested according to Section 301 of the Act.
  - (f) Register of Directors and Managing Directors, according to Section 303 of the Act.

- (g) Register of Directors' Shareholdings and Debenture holdings according to Section 307 of the Act.
  - (h) Register of Particulars of every Contract under Section 359(1) of the Act.
  - (i) Register of Investments in shares or debentures of bodies corporate according to Section 372 of the Act.
  - (j) Books of Account in accordance with the provisions of Section 209 of the Act.
  - (k) Copies of Instruments creating any charge requiring registration according to Section 136 of the Act.
  - (l) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates required under Section 161 of the Act.
- (2) The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act, or these Articles and - extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.
- (3) The Company may keep a Foreign Register of members in accordance with Sections 157 and 158 of the Act. Subject to the provisions of Sections 157 and 158 of the Act, the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of Members and/or Debentureholders.

#### MANAGING DIRECTOR

*Power to appoint  
Managing Director.*

- \* 169. Subject to the provisions of the Sections 197A, 198, 267, 268, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their number as Managing Director or Managing Directors (which expression shall for the purposes of this Article include a Deputy Managing Director) of the Company for a fixed term not exceeding five years at a time and subject to such contract as they may think fit".

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\* Substitution of Article 169 by Resolution passed at Annual General Meeting of the Company held on 6th September, 1994.

*What provision he shall be subject to.*

169 A The expression "Managing Director" in Articles 170,171and 172 shall include a Deputy Managing Director.

170. Subject to the provisions of the Act and of these Articles, the Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 142 but he shall subject to the provisions 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 and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause.

*Remuneration of Managing Director.*

171. The remuneration of the Managing Director (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) shall be in accordance with the terms of his contract with the Company.

*Powers and duties of Managing Director.*

172. Subject to the provisions of the Act and to the terms of a contract with him, the Managing Director shall have the whole or substantially the whole of the management of the affairs of the Company.

#### WHOLE-TIME DIRECTOR

*Whole time Director.*

173. Subject to the applicable provisions of the Act and of these Articles the Board shall have power to appoint from time to time as Whole-time Director or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the board thinks fit. The Board may by resolution vest in such Whole-time Director or Whole-time Directors such powers as it thinks fit, and upon such conditions and subject to such restrictions as it may determine. The Whole-time Director or Whole-time Directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

#### SECRETARY

*Secretary.*

174. The Directors may appoint a Secretary of the Company for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. The main function of the Secretary shall be responsibility for maintaining registers required to be kept under the Act, for making the necessary returns to the Registrar of Companies under the Act and for getting the necessary

documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary notices to the members, preparing agendas of meetings, issuing notices to Directors, preparing minutes of meetings of members and of Directors and of any Committee of Directors and maintaining minute books and other statutory document and, he shall carry out and discharge such other functions and duties as the Directors or the Managing Director may from time to time require him to do.

#### THE SEAL

*The Seal its custody and use.*

175. The Board 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 the Board shall provide for the safe custody of the Seal for the time being, and the seal shall never be used except by or under the authority of the Board or a Committee of Directors.

*Deeds how executed.*

176. Every deed or other instrument to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted Attorney of the Company be signed by the Managing Director or by two Directors or by one Director and the Secretary of the Company or some other person appointed by the Board for the purpose, provided nevertheless that certificates of debentures may be signed by one Director only or by the Secretary of the Company or by an Attorney of the Company duly authorised in this behalf and certificates of shares shall be signed as provided in Article 18.

*Seal abroad.*

177. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Board.

#### INTEREST OUT OF CAPITAL

*Payment of interest out of capital.*

178. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital, as is for the time being paid up, for the period, at the rate, and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

## DIVIDENDS

*Division of profits.*

179. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of the Act and of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall unless the Board otherwise determine, only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

*Capital paid up in advance at interest not to earn dividends.*

180. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to a dividend or to participate in profits.

*Dividends in proportion to amount paid up.*

181. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

*Company in General Meeting may declare a dividend.*

182. (1) The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits, and subject to the provisions of the Act, may fix the time for payment. When a dividend has been so declared, the warrant in respect thereof shall be posted within forty-two days from the date of the declaration to the shareholder entitled to the payment of the same.

*But not larger than recommended by Directors.*

(2) No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

*Dividend declared but not paid or claimed.*

183. Where a dividend has been declared by the Company but has not been paid, or claimed within forty-two days from the date of the declaration, to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of forty-two days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of forty-two days to a special account to be opened by the Company in that behalf in any



Scheduled Bank, to be called "Unpaid Dividend Account" of SKF India Limited.

Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the General Revenue Account of the Central Government.

In this Article the expression "dividend which remains unpaid" shall mean any dividend the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed.

*Dividends, etc. when to be held in abeyance.*

184. Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall:

- (a) transfer the dividend in relation to such shares to the Special Account referred to in Section 2D5A of the Act unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

*Interim dividend.*

185. Subject to provisions of the Act, the Directors may from time to time pay to the members on account of the next forthcoming dividend such interim dividends as in their judgement the position of the Company justifies.

*Retention of dividends until completion of transfer under Article 51*

186. Subject to the provisions of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is, under Article 51 hereof, entitled to become a member, or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

*No member to receive dividend, whilst indebted to the Company and Company's right of reimbursement thereout.*

187. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any

other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

*Forfeiture of unclaimed dividend.*

188. Unclaimed dividends may be invested or otherwise used by the Directors for the business of the Company and all dividends unclaimed after the claim in respect thereof becomes barred by law, may be forfeited by the Directors for the benefit of the Company, and, if the Directors think fit, may be applied in augmentation of the Reserve Fund provided, however, that the Directors may at any time annul such forfeiture and pay any such dividend.

*Transfer of shares must be registered.*

189. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

*Dividends how remitted.*

190. Unless otherwise directed by any member any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled, or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto, by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

*Dividend and call together*

191. Any General Meeting declaring a dividend may call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and that the dividend may, if so arranged between the Company and the members, be set off against the calls.

*Special powers in relation to satisfaction of dividends.*

192. No dividend shall be payable except in cash Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up Bonus Shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

#### CAPITALIZATION

*Capitalization.*

193. (1) Any General Meeting may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any monies, investments or other

assets forming part of the undivided profits (including profits or surplus monies arising from the realisation and (where permitted by law) from the appreciation in value of any capital assets of the company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend be capitalized:

- (a) By the issue and distribution as fully paid up of shares, debentures, debenture stock, bonds or other obligations of the Company, or
- (b) by crediting shares of the Company which may have been issued to and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

- (2) Such issue and distribution under sub-clause (1) (a) above and such payment to credit of unpaid share capital under sub-clause (1) (b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (1) (a) or payment under sub-clause (1) (b) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolution and apply such portion of the profits to General Reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under sub-clause (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.

- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.
- (5) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid only such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares the sum so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.
- (6) When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

#### ACCOUNTS

*Books of Account to be kept.*

194. (1) The Company shall keep at its registered office proper books of account with respect to-
  - (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
  - (b) all sales and purchases of goods by the Company; and
  - (c) the assets and liabilities of the Company.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns, made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
195. (1) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.
- (2) The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (3) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.

*Inspection by members.*

196. The Directors 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 and documents of the Company or any of them, shall be open to the inspection of the members, and 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 statute or authorised by the Directors or by a resolution of the Company in General Meeting.

*Statement of Accounts to be furnished to General Meeting.*

197. The Board of Directors shall lay before each Annual General Meeting a Profit & Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

*Balance Sheet and Profit and Loss Account.*

198. (1) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit & Loss Account of the Company shall be in the Forms set out in Parts I and II respectively of

Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet, a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

- (2) So long as the Company is a holding company having a Subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act.
- (3) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated the fact that the Board is of that opinion shall be stated.

*Authentication of  
Balance Sheet and Profit  
& Loss Account.*

199. (a) Save as provided by item (b) of the sub-clause, every Balance Sheet and every Profit & Loss Account of the Company shall be signed on behalf of the Board of Directors by its Secretary if any and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.

- (b) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit & Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and Profit & Loss Account a statement signed by him explaining the reason for non-compliance with the provisions of the above item (1) (a).

*Profit and Loss Account  
to be annexed and  
Auditors' Report to be  
attached to the Balance  
Sheet.*

200. The Profit & Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.

*Board's Report to be  
attached to Balance  
Sheet*

201. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any, which it proposes to carry to any Reserve either in such Balance Sheet, the amount if any, which it recommends to be paid by way of dividend and material changes and commitments, if any, affecting the financial position of the Company which have

occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

- (2) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its Subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's Subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (3) The Board shall also give the fullest information and explanations in its Report or in cases falling under the proviso to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditors' Report.
- (4) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit & Loss Account of the Company by virtue of sub-clauses 1(a) and (b) of Article 199.
- (5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub clauses (1) to (3) of this Article are complied with.

*Right of members to copies of Balance Sheet and Auditors' Report.*

202. The Company shall comply with the requirements of Section 219 of the Act.

#### ANNUAL RETURNS

*Annual Returns.*

203. The Company shall make the requisite annual returns in accordance with Sections 159 and 161 of the Act.

#### AUDIT

*Account to be audited.*

204. Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.

*Appointment of Auditors.*

205. (1) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting, and shall, within seven days of the appointment give intimation thereof to every auditor so appointed unless he is a retiring auditor.

- (2) At any Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, unless-
  - (a) he is not qualified for re-appointment;
  - (b) he has given the Company notice in writing of his unwillingness to be re-appointed;
  - (c) a Resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
  - (d) where notice has been given of an intended Resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the Resolution cannot be proceeded with.
- (3) Where at an Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (4) The Company shall, within seven days of the Central Government's power under sub-clause (3), becoming exercisable, give notice of that fact to that Government.
- (5) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (6) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a Resolution that a retiring Auditor shall not be re-appointed.



*Qualification and disqualification of Auditors.*

- (7) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.
- (8) None of the persons mentioned in Section 226 of the Act as are not qualified for appointment as Auditors shall be appointed Auditors of the Company.

*Audit of Branch Offices.*

206. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company, except to the extent to which any exemption may be granted by the Central Government in that behalf.

*Remuneration of Auditors*

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

*Rights and duties of Auditors.*

208. (1) Every Auditor of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.
- (2) All notices of, and other communications, relating to, any General Meeting of a company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor
- (3) The Auditor shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit Loss Account, and on every other document declared by this Act to be part of or annexed to the Balance Sheet or Profit & Loss Account, which are laid before the Company in General Meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:-
- (i) in the case of the Balance sheet, of the state of the Company's affairs as at the end of its financial year, and
  - (ii) in the case of the Profit & Loss Account of the profit and loss for its financial year.

- (4) The Auditors' Report shall also state:-
  - (a) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
  - (b) Whether, in his opinion, proper books of account as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
  - (c) Whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's auditor has been forwarded to him as required by clause (c) sub-section (3) of that Section and how he has dealt with the same in preparing the Auditors' Report;
  - (d) Whether the Company's Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account and returns.
- (5) Where any of the matters referred to in this Article is answered in the negative or with a qualification, the Auditors' Report shall state the reason for the answer.

*Accounts when audited and approved to be conclusive except as to errors discovered within three months.*

209. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regard any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

**DOCUMENTS AND SERVICE OF DOCUMENTS**

*How document is to be served on members.*

- 210. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address, or if he has no registered address in India to the address, if any, supplied by him to the Company for the giving of notices to him.
- (2) Where a document is sent by post :
  - (a) service thereof shall be deemed to be effected by properly

addressing, pre-paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that document should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

- (b) such service shall be deemed to have been effected -
- (i) in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted, to any place in India and one hundred and twenty hours after such letter is posted by air-mail to any place outside India.
  - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

*Service on members having no registered address.*

211. If a member has no registered address in India, and has not supplied to the Company an address within India for the giving of notices to him a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

*Service on persons acquiring shares on death or insolvency of members.*

212. A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

*Person entitled to notice of General Meetings.*

213. Subject to the provision of the Act and these Articles notice of General Meeting shall be given:

- (i) to members of the Company as provided by Article 86 in any manner authorised by Article 207 or 208 as the case may be or as authorised by the Act.

- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 209 as authorised by the Act.
- (iii) to the Auditor or Auditors for the time being of the Company, in any manner authorised by Article 207 or the Act in the case of any member or members of the Company.

*Advertisement.*

214. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and one daily Vernacular newspaper circulating in Bombay.

*Members bound by document given to previous holders.*

215. Every person, who by operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derives his title to such share.

*Service of notices by shareholders.*

216. All notices to be given on the part of shareholders shall be left at or sent by registered post to the Registered Office of the Company.

*How notice to be signed.*

217. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Secretary or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

#### AUTHENTICATION OF DOCUMENTS

*Authentication of documents and proceedings.*

218. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or Secretary or an authorised officer of the Company and need not be under its Seal.

#### WINDING UP

*Distribution of assets*

219. 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 at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

*Distribution in specie or kind.*

220. (1) 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.
- (2) 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 of different classes of members.
- (3) 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 contributors as the Liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### SECURITY CLAUSE

*Secrecy Clause.*

221. No member shall be entitled to visit or inspect the Company's works without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board or the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

#### INDEMNITY AND RESPONSIBILITY

*Directors' and others' right of indemnity.*

222. (a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Manager, Secretary and other officer or employee and the Registrars and Share Transfer Agents of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Managing Director or officer

or employee or the Registrars and Share Transfer Agents may incur or become liable to by reason of any contract entered into or act or deed done by any of them as such Director, officer, employee or the Registrars and Share Transfer Agents or in any way in the discharge of any of their duties.

- (b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer or employee or the Registrars and Share Transfer Agents of the Company shall be indemnified against any liability incurred by any of them in defending any proceedings, whether civil or criminal, in which judgement is given in any of their favour or in which any of them is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to any of them by the Court.

*Not responsible for acts of others.*

223. Subject to the provisions of Section 201 of the Act no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors 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, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or 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 wilful misconduct or neglect or dishonesty.

Names of subscribers.	Addresses, descriptions and occupations of the Subscribers	No. of shares taken by each Subscriber	Witness
ARDESHIR DARABSHAW SHROFF	Bombay House, 24, Bruce Street, Fort, Bombay Business.	FIFTY	P. B. POONJAJI AVA CHAMBERS, CINEMA ROAD, BOMBAY - 1. Service
AKTIEBOLAGET SVENSKA KULLAGER- FABRIKEN By its constituted attorney GUNNER GLIMSTEDT	Gothenburg, Sweden Manufacturing Company	FIVE THOUSAND	
JOHN HIGAM	Pemino, Altamont Road, Bombay - 24. Business Executive.	FIFTY	
SUMANT MOOLGAONKAR	Mayfair, Little Gibbs Road, Malbar MI, Bombay. Industrialist	FIFTY	
NANI ARDESHIR PALKHIVALA	Commonwealth, 181, Backbay Reclamation, Bombay-1. Advocate.	FIFTY	
NARIMAN KHURSHEDJI SUNTOOK	C/o. Mulla & Mulla Craigie, Blunt & Caroe, 51, M. G. Road, Bombay Solicitor.	FIFTY	
JAMSHED NOWROJI PATUCK	Secretary, Investment Corporation of India Ltd., Ewart House, Bruce Street, Fort, Bombay.	FIFTY  Total 5300 (Five thousand and three hundred) shares.	

Dated this 11th day of April, 1961.

## NAME LICENCE AGREEMENT

115

THIS AGREEMENT made the 20th day of May, 1987 BETWEEN AKTIEBOLAGET SKF of Gothenburg, Sweden (hereinafter called "SKF") of the One part and ASSOCIATED BEARING COMPANY LIMITED, a Company incorporated under the Companies Act, 1956 and having its registered office at Bombay (hereinafter called "ABC").

### WHEREAS:

- A. SKF together with its foreign subsidiaries is holding 51% (fifty one percent) of the share capital in ABC.
- B. SKF has agreed to ABC changing its name by using the word "SKF" as part of its corporate name but subject to the condition that ABC shall enter into an agreement in terms of these presents.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO as follows:

- 1. SKF hereby grants to ABC a non-exclusive non-assignable licence and permission to use the word "SKF" as part of its corporate name.
- 2. (a) SKF shall be entitled by giving six months' notice in writing expiring on any date to ABC to revoke the licence and permission granted in clause (1) hereof in the event of:
  - (i) ABC committing a breach of any subsisting Agreement for Technical Services, Deed of Assignment of Technical Information or Registered User Agreement in respect of SKF's trademarks.
  - (ii) SKF terminating any subsisting Agreement referred to in (i) above.
  - (iii) SKF together with its foreign subsidiaries holding less than 51% of the paid-up equity capital of ABC.
  - (iv) ABC for any reason being unable to manufacture products of the standard and/or quality acceptable to SKF.
  - (v) The Article set out in the Schedule to be inserted in the Articles of Association of ABC being changed by act of the shareholders of ABC or by operation of law which change in SKF's opinion (SKF's decision being final in this behalf) is prejudicial to its interest.
  - (vi) Change in the Articles of Association of ABC brought about by operation of law and which change in SKF's opinion (SKF's decision being final in this behalf) is prejudicial to its interest.
  - (vii) SKF for any reason outside its control, is unable to exercise any of the rights including voting rights attaching to its shareholding in ABC.
- 2. (b) SKF shall have the option to terminate this Agreement by giving to ABC not less than six months' notice in writing in the event that the right that SKF presently has under Article 155(a) of ABC's Articles of Association to select the person who shall act as the Chairman of the meetings of the Directors and such Chairman shall hold that office until otherwise determined by SKF is terminated or ceases to be effective for any reason whatsoever.



2. (c) SKF shall be entitled to terminate this Agreement, without assigning any reason by giving to ABC not less than twelve months' notice in writing and such notice shall be deemed to have been duly given ninety six hours after its despatch by prepaid registered post addressed to ABC at its Registered Office.
2. (d) This Agreement shall determine forthwith and without notice if ABC passes a resolution to go into liquidation or a winding-up order is made against it or suffers appointment of a Receiver of the whole or any part of its assets or makes any arrangement or composition with its creditors whatsoever.
3. On SKF revoking the licence or terminating this Agreement in accordance with the terms of this Agreement and/or this Agreement determining as provided hereinabove ABC shall forthwith take effective steps in this behalf and shall within 180 days from the date of receipt of such notice :
  - (i) discontinue the use of the word "SKF" as part of its corporate or trade name;
  - (ii) take all such steps as may be necessary, including the passing of the special resolution at a general meeting and approval of Government of India, for the purpose of changing its name as aforesaid;
  - (iii) adopt a new corporate name or trade name which shall not consist of any word or expression substantially similar to the word "SKF" or likely to be confused therewith except to the extent permitted in writing by SKF.
4. ABC acknowledges the exclusive ownership, right title and interest of SKF into or upon the word "SKF" and undertakes that it shall not at any time do or cause to be done any act deed matter or thing to contest or in any way impair or affect such ownership right title or interest.
5. Nothing herein contained shall be construed as conferring on ABC any right title or interest whatsoever to in or upon the word "SKF" other than the permission and licence to use the word "SKF" hereby granted.
6. ABC shall ensure that an Article in terms of the draft Article set out in the Schedule hereto shall be inserted in ABC's Articles of Association and should circumstances so require at SKF's request make such amendments and execute such documents as may be required by SKF to the end and intent that the purpose and object of this agreement shall be fully and effectually achieved.
7. SKF shall be entitled to assign either wholly or partially its rights and benefits under this Agreement to any other person firm or body corporate.
8. This Agreement shall be governed by the laws of India.

THE SCHEDULE ABOVE REFERRED TO:

Article to be inserted in ABC's Articles of Association:

- (a) The Company has entered into an Agreement dated 20th May, 1987 with Aktiebolaget SKF ("SKF") a copy of which, for convenience, is annexed hereto and the same shall form and be treated as part of these Articles.
- (b) Under the said Agreement it is, inter alia, agreed that SKF shall by giving six months' notice in writing to the Company be entitled to revoke the licence and permission granted to the Company to use the word "SKF" as part of its corporate name or terminate the Agreement or the Agreement determining as therein provided whereupon the Company shall forthwith take steps in this behalf and shall inter alia, within one hundred and eighty days from the date of receipt of such notice:
- (i) discontinue the use of the word "SKF" as part of its corporate or trade name, and
  - (ii) take all such steps as may be necessary for the purpose of changing its corporate name as aforesaid. Any new corporate name which the company may adopt shall not consist of any letters, words or combination of letters or words or expression substantially similar to or likely to be confused with the word "SKF".
- (c) This Article shall be binding on both the Company and the Members, so as to give effect to the aforesaid purposes and to implement the same

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first hereinabove written.

SIGNED AND DELIVERED BY

Aktiebolaget SKF in the presence of

Krister Peil

Jan Essunger

THE COMMON SEAL of the abovenamed Associated Bearing Company Limited was pursuant to a resolution of the Board of Directors of the said Company passed in that behalf on the 17th day of March 1987 hereunto affixed in the presence of -

A. Hydari

F. A. Mehta

N. A. Palkhivala

## AGREEMENT

118

This Agreement is made at Mumbai this 1st day of December Two Thousand and nine between SKF India Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Mahatma Gandhi Memorial Building, Netaji Subhash Road, Mumbai 400 002 (hereinafter called "the Company", which expression shall include its successors and assigns) of the One Part and Mr. Shishir Joshipura, residing at A-7, Melody Apartments, 12 ICF Colony, Bhosle Nagar, Pune (hereinafter called "Mr. Joshipura") of the Other Part.

The Board of Directors of the Company at its meeting held on 21st September, 2009 has appointed Mr. Shishir Joshipura as the Managing Director of the Company to take office from 1st December, 2009, subject to the provisions of the Companies Act and approval of the shareholders of the Company in a General Body Meeting.

AND WHEREAS the Board of Directors at its meeting held on 21st September, 2009 has finalised the terms and conditions of his appointment including the remuneration payable to Mr. Joshipura.

AND WHEREAS subject to the approval by the shareholders, Mr. Joshipura has agreed to accept such appointment as the Managing Director of the Company and the remuneration payable to him as set out hereinafter.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS :

- 1) The appointment of Mr. Joshipura as the Managing Director of the Company shall be for a period of five years effective from 1st December, 2009.
- 2) Mr. Joshipura acting as the Managing Director of the Company shall exercise and perform such powers and duties as the Board of Directors of the Company ("the Board") shall from time to time determine and subject to any directions and restrictions from time to time given and imposed by the Board, he shall have the general control, management and superintendence of the day-to-day business and affairs of the Company with powers to enter into any contracts on behalf of the Company in the ordinary course of business, and to do and perform all other acts, deeds and things which in the ordinary course of business he may consider necessary, expedient or proper in the interests of the Company.
- 3) Mr. Joshipura shall not, during the period of his employment and without the previous consent in writing of the Board engage or interest himself, either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or concern or in any undertaking or business of a nature similar to or competing with the Company's business.
- 4) The Headquarters of Mr. Joshipura while holding the charge of the office as the Managing Director of the Company shall be at the place where he has regularly to stay for attending to his duties as the Board may from time to time fix. The present Headquarters of Mr. Joshipura as the Managing Director of the Company shall be at Mumbai.
- 5) In consideration of the services of Mr. Joshipura as the Managing Director of the Company and subject to the approval of the shareholders in a General Body Meeting, the Company shall pay to Mr. Joshipura, remuneration as set out in Annexure - "A".

- 6) Mr. Joshipura shall not be paid any fees for attending meetings of the Board of Directors or any Committee thereof.
- 7) Mr. Joshipura undertakes that he shall as long as he functions as the Managing Director, will not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company.
- 8) Save as otherwise provided in this Agreement, this Agreement may be terminated by either party by giving a notice in writing of six months to the Company.
- 9) The Company shall be entitled to forthwith determine this Agreement in the event of Mr. Joshipura being found guilty of misconduct or negligence in the discharge of his duties or in the conduct of the Company's business or to any other act or commission inconsistent with his duties as the Managing Director or any breach of this Agreement which in the opinion of the Board renders his termination from the office of Managing Director desirable.
- 10) If, before the expiration of this Agreement, the tenure of office of Mr. Joshipura shall be determined by reason of reconstruction or amalgamation, whether by winding up of the Company or otherwise, Mr. Joshipura shall have no claim against the Company for damages or otherwise whatsoever.
- 11) Mr. Joshipura agrees that he will not, at any time after the termination of this Agreement represent himself as being in any way connected with or interested in the business of the Company.
- 12) Mr. Joshipura agrees that he would observe the provisions of SKF code of conduct and non-competition policy as laid down in Annexure - "B".
- 13) Confidentiality: Mr. Joshipura shall at all times carefully safeguard and promote the Company's interests. As long as he is employed, and also thereafter, he shall maintain confidentiality with respect to corporate secrets and all other information of a confidential nature pertaining to the SKF Group and its operations. Mr. Joshipura may use such information only during his employment by the Company in the interest of the Company. When Mr. Joshipura's employment at the Company is terminated, he shall upon request return all business documentation, software, notes etc and copies thereof pertaining to the SKF Group and its operations that has been entrusted to him or to which he has access in another manner. Such documents are the property of the Company exclusively and may be used by Mr. Joshipura solely during employment by the Company and in Company's interest.
- 14) In accordance with Article 170 of the Articles of Association of the Company, Mr. Joshipura shall not be subject to retirement by rotation during his tenure as Managing Director.
- 15) All notices required to be given hereunder shall be given at the above mentioned address of the parties only by any means of recorded delivery.
- 16) This Agreement supersedes and cancels all earlier understandings and agreements, whether oral or written, between the parties and shall be modified only by mutual consent expressed in writing and signed by both the parties.

17) The parties expressly agree that only the Competent Court of Jurisdiction at Mumbai shall have exclusive jurisdiction in all matters arising hereunder.

IN WITNESS WHEREOF the Company has caused its Common Seal to be hereunto affixed and Mr. Joshipura has hereunto set his hand the day and year first hereinabove written

THE COMMON SEAL of the abovenamed SKF India Limited was, pursuant to a Resolution of the Board of Directors of the Company passed in that behalf on the 21st day of September, 2009 hereunto affixed in the presence of its Chairman, Mr. K. C. Mehra and its Company Secretary Mr. P. Bhandari.

Chairman

Company Secretary

Signed by the withinnamed Mr. Shishir Joshipura

in the presence of

1. Mr. Chandramowli Srinivasan
2. Ms. Dilnavaz Gulestani

## Annexure - "A"

## A) Salary

The Managing Director shall be paid by way of annual Base Salary a sum of Rs.44,05,320/- which shall be revised annually each year beginning January 2011. The increase shall be at the discretion of the Remuneration Committee / Board of Directors of the Company.

In Addition to the Base Salary the Managing Director will be entitled to a Flexible Basket equivalent to 100% of his Annual Base Salary. The Managing Director will be allowed to choose amongst the 6 Heads that are offered under this scheme (Car, Car Running Expenses, Leave Travel Allowance, Education Allowance, House Utilities and Supplementary Allowance) based upon the preference.

## B) Sign on Bonus

The Managing Director will be entitled to a one time sign on bonus of INR 15,00,000/- at the time of joining the company.

## C) Incentives

i. The Managing Director will be entitled to a Short Term Variable Salary (STVS) Incentive as per the Group Bonus Plan. The maximum Bonus payable is 30% of Base Salary and Flexible Basket put together.

ii. Long Term Scheme : The Managing Director will be entitled to participate in the Group Long Term Variable Salary (LTVS) program effective from January 1, 2010.

## D) Retirement Benefits

Provident Fund : SKF will contribute 12% of Annual Base Salary towards Provident Fund.

Superannuation : SKF will contribute 15% of Annual Base Salary towards Superannuation Fund.

Gratuity : Gratuity as per the Gratuity Act.

## E) Perquisites

In addition to the above remuneration, the Managing Director shall also be entitled to the following perquisites :-

- a) Semi furnished 4 Bedroom accommodation in accordance with the Company Policy.
- b) Medical reimbursement to self and dependable family (spouse and children) for outpatient medical care and will be covered under the Hospitalisation scheme as per the Rules of the Company.
- c) Membership of one club.
- d) Car and Telephone - The Company shall provide one Car and driver and telephone reimbursement as per the Company policy.
- e) Hospitalisation Policy, Personal Accident Group Insurance Scheme and Death Insurance policy as per the Company rules and regulations.  
Provision for the use of company car and telephone(s) at residence and mobile including payment for local calls and long distance official calls shall not be included in the computation of perquisites for the purpose of calculating such ceilings.
- f) Leave - Entitlement for leave as per the rules of the Company. Encashment of unutilised leave at the end of tenure shall not be considered as a perquisite for purposes of ceiling on remuneration prescribed in the Companies Act, 1956

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual costs.

The total remuneration and perquisites payable to the Managing Director shall be within the ceiling limits prescribed in Section 198 & 309 of the Companies Act, 1956. In case of absence or inadequacy of profits in any financial year, the Company shall, subject to the provisions of Section II of part II of Schedule XIII of the Companies Act, 1956 and / or the approval of the Central Government where necessary, pay the remuneration mentioned above as minimum remuneration to Mr. Joshipura.

### **Annexure - "B"**

#### **Non-Competition Policy:**

SKF managers are expected to observe high standards of care and loyalty towards the SKF Group. This includes a commitment to observe certain restrictions with regard to competing activities.

The SKF Group requests SKF managers to adhere to the following policy:

The SKF manager shall not, during and for a period of 1 (one) year after the term of her/his employment with an SKF company, (i) operate on her/his own account, (ii) work for or (iii) otherwise be directly or indirectly engaged in a business competing with the business for which the manager had direct or indirect responsibility or of which she/he had control or major critical knowledge during the term of her/his employment with the SKF Group.

The SKF company shall, on its part, not unduly restrict the manager's professional opportunities after the term of her/his employment. Furthermore, it shall continue to pay the manager's remuneration (or equal compensation) during the required observance of the commitment not to compete (which observance SKF may however waive at its discretion).

SUPPLEMENTAL AGREEMENT

This Agreement is made at Mumbai this 5<sup>th</sup> day of March, Two Thousand and Twelve between SKF India Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Mahatma Gandhi Memorial Building, Netaji Subhash Road, Mumbai 400 002 (hereinafter called "the Company", which expression shall include its successors and assigns) of the Dne Part and Mr.Shishir Joshipura, residing at A-7, Melody Apartments, 12 ICF Colony, Bhosle Nagar, Pune (hereinafter called "Mr.Joshipura") of the Dther Part.

WHEREAS by an agreement dated 01.12.2009 executed between the parties hereto, Mr.Joshipura had been appointed the Managing Director of the Company on the terms and conditions contained therein.

AND WHEREAS the total remuneration and perquisites payable to Mr.Joshipura shall be within the ceiling limited prescribed in Sections 198, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 which was approved by the shareholders in the Annual General Meeting held on 23<sup>rd</sup> April, 2010.

AND WHEREAS by the agreement dated 01.12.2009, Mr.Joshipura is entitled for Semi furnished 4 Bedroom accommodation in accordance with the Company Policy under clause (E) (a) of Annexure 'A' of the said agreement.

AND WHEREAS the Remuneration Committee at its meeting held on 22.02.2012 and the Board of Directors of the Company at its meeting held on 23.2.2012 have amended the terms subject to the members approval whereby Mr. Joshipura shall be entitled to be paid House Rent Allowance in case such accommodation is not availed of by him with effect from 1<sup>st</sup> January, 2012 for the remainder of the tenure of his appointment as the Managing Director i. e. upto 30<sup>th</sup> November, 2014:

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS :

1. Clause (E) (a) of Annexure A to the original Agreement dated 1<sup>st</sup> December,2009 executed between the Company and Mr.Joshipura for his appointment as the Managing Director of the Company be and is hereby substituted by the following clause as (E) (a).



a) House Accommodation/House Rent Allowance (HRA)

Semi furnished 4 Bedroom accommodation in accordance with the Company Policy. In case Mr. Joshipura does not opt for the Company provided accommodation, he shall be paid monthly house rent allowance of a sum of Rs 75,000/- with effect from 1<sup>st</sup> January, 2012 for the remainder of the tenure of the contract with Mr. Joshipura i.e. upto 30<sup>th</sup> November, 2014.

2. The Board of Directors will be authorised to alter, increase and vary the remuneration and perquisites including the said HRA provided that total remuneration by way of salary and perquisites and other allowances shall be within the maximum limits as laid down under Sections 198, 309 and all other applicable provisions, if any of the Act read with Schedule XIII of the Companies Act, 1956, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.
3. All other terms and conditions relating to the appointment of Mr. Joshipura as Managing Director with the Company shall remain unchanged.

IN WITNESS WHEREOF the Company has caused its Common Seal to be hereunto affixed and Mr. Joshipura has hereunto set his hand the day and year first hereinabove written

THE COMMON SEAL of the abovenamed  
SKF India Limited was, pursuant to a Resolution  
of the Board of Directors of the Company passed  
in that behalf on the 23rd February, 2012  
hereunto affixed in the presence of its Chairman,  
Mr. K. C. Mehra and its Company Secretary  
Mr. P. Bhandari.

Chairman

Company Secretary

Signed by the withinnamed Mr. Shishir Joshipura

in the presence of

1. Ms. Dilnavaz Gulestani

