MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

HINDOOSTAN MILLS LIMITED

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

THE HINDOOSTAN SPG & WVG. MILLS LTD.
HEAD OFFICE
MUMBAI
INWARD NO 579
DATE 16/6/2011 12:30

कॉर्पोरेट पहचान संख्या :L17121MH1904PLC000195

मैसर्स THE SIRDAR CARBONIC GAS COMPANY LIMITED

के मामले मे, मैं एतदद्वारा सत्यापित करता हूँ कि मैसर्स
THE SIRDAR CARBONIC GAS COMPANY LIMITED

जो मूल रुप में दिनांक बारह मई उन्नीस सौ चार को कम्पनी अधिनियम 1956 की धारा 3 के अतंर्गत एक विधमान कम्पनी है और मैसर्स
THE SIRDAR CARBONIC GAS COMPANY LIMITED

के रुप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रुप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं.सा.का.नि 507 (अ) दिनांक 24.6.1985 एस.आर.एन B12260436 दिनांक 24/05/2011 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रुप में मैसर्स
HINDOOSTAN MILLS LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा मुंबई में आज दिनांक चौबीस मई दो हजार ग्यारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Mumbai

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L17121MH1904PLC000195

In the matter of M/s THE SIRDAR CARBONIC GAS COMPANY LIMITED

I hereby certify that THE SIRDAR CARBONIC GAS COMPANY LIMITED which was originally incorporated on Twelfth day of May Nineteen Hundred Four being an existing company as per Section 3 of the Companies Act, 1956 as THE SIRDAR CARBONIC GAS COMPANY LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B12260436 dated 24/05/2011 the name of the said company is this day changed to HINDOOSTAN MILLS LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Mumbai this Twenty Fourth day of May Two Thousand Eleven.

The Seal of The Registrar of Companies Maharashtra

(V ELANGOVAN)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

महाराष्ट्र, मुंबई
Maharashtra, Mumbai

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

HINDOOSTAN MILLS LIMITED
SIR VITHALDAS CHAMBERS,16 APOLLO STREET, FORT,
MUMBAI - 400001,
Maharashtra, INDIA

Certificate of Incorporation.

9/12/84

No. ~~197~~ 195 of 19 19

I hereby certify that "The Sirdar Carbonic Gas Company Limited."

was on 12th May 1904 ~~xxxxxxxxxx~~ incorporated under the Indian Companies Act, VI of 1882 ~~xxxxxxxxxxxxxx~~ and that the Company is Limited.

Given under my hand at Bombay this Twenty-sixth day of July One thousand nine hundred and Forty-six.

Registrar of ~~Joint-Stock~~ Companies.

J S C 34.
Bom. P.—S-21—8-1-45—4,000.

MEMORANDUM OF ASSOCIATION

OF

THE SIRDAR CARBONIC GAS COMPANY LIMITED

WITH

ARTICLES OF ASSOCIATION

ANNEXED

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Registered on the 12th day of May 1904

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Certificate of Incorporation

No.195 of 19 - - 19

I hereby certify that the "The Sirdar Carbonic Gas Company Limited" was on 12th May 1904 incorporated under the Indian Companies Act VI of 1882 and that the Company is Limited.

Given under my hand at Bombay this twenty-sixth day of July one thousand nine hundred forty six.

Registrar of Company
SEAL

Sd.
Registrar of Company.

I N D E X

MEMORANDUM OF ASSOCIATION

MEMORANDUM OF ASSOCIATION

OF

HINDOOSTAN MILLS LIMITED

1. The name of the Company is **"HINDOOSTAN MILLS LIMITED."**

2. The registered office of the Company is in Bombay.

3. The objects for which the Company is established are:

(a) To Purchase from the Sirdar's Carbonic Acid Inventions Syndicate Company Limited, the entire business and assets of the said Company, inclusive of all Patents, Rights, Concessions, Machinery, Stock-in-trade, Book Debts and Assets of every description as specified in an agreement entered into with the said company, and to extend the said business by the erection of other buildings and the purchase of other factories and machinery and to do all such things as are incidental or conducive to the attainment of the above objects.

(b) To purchase or otherwise acquire for cash or any other consideration, any patents, brevets d'invention, licenses, concessions and the like conferring an exclusive or non-exclusive or limited right to use any inventions which may seem to the Company capable of being profitably dealt with; and in particular to enter into any agreement or agreements for acquiring the benefit of certain existing inventions or improvements for the manufacturing, collecting, compressing, purifying and liquefying of Carbonic Acid Gas or other gases and for the manufacture and construction of machines for utilizing the same.

(c) To use, exercise, develop, grant licenses in respect of, or otherwise turn to account any such patents, brevets d'invention, licenses, concessions, and the like; and with a view to the working and development of the same to carry on any business, whether manufacturing, agency or otherwise, which the Company may think calculated directly or indirectly to effectuate these objects.

(d) To manufacture, buy, sell and otherwise deal in the following:-

1. Soda Water Machinery and its accessories.
2. Filters and Sterilizers.
3. Ice-Machines for the manufacture of Ice.
4. Carbonic Acid Gas Machinery.
5. Motor-car requisites, appliances and accessories.
6. Machinery and appliances for the manufacture and use of Oxygen Gas.

* Change of Name from The Sirdar Carbonic Gas Company Limited to Hindoostan Mills Limited is pursuant to the Scheme of Amalgamation between The Hindoostan Spinning and Weaving Mills Limited with The Sirdar Carbonic Gas Company Limited duly sanctioned by the Hon'ble High Court of Bombay vide its order dated 1st day of April, 2011

7. Carbonic Acid Gas.

8. Oxygen and Hydrogen or any other Gas or Chemicals.

9. General Engineering requisites for or relating to all or any of the above articles and matters, or any other fittings or machinery.

(e) To manufacture, buy, sell, improve, treat preserve, aerate, mineralize, bottle or otherwise deal in mineral and aerated waters.

(f) To buy, sell and otherwise deal in Essences and mineral and aerated water factory requisites.

(g) To buy, sell and deal in Thermos or similar Flasks.

(g 1) To manufacture, buy, sell and deal in hardware, machinery, and parts of machinery, castings, forgings, implements, fittings and all kinds of goods whether made of brass, iron, steel, metal or other substances.

(g 2) To carry on a general mercantile or merchandise business and to purchase, sell and deal in such goods, supplies and merchandise as are or may be sold in a general store.

(g 3) To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly enhance the value of or render profitable any of the Company's property or rights.

(h) To purchase, take on lease or otherwise acquire land buildings and factories and to erect, maintain and alter buildings and factories which the Company may think necessary or convenient for the purposes of its business or any of them.

(i) To let out the land and buildings of the Company not immediately required for the purposes of the business of the Company.

(j) To carry on the business as Investment Company and to acquire and hold and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company and debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any Government, sovereign ruler, commissioners, public body or authority supreme, municipal, local or otherwise landed property, whether in India or elsewhere and to undertake and carry on and execute financial operations.

(k) To purchase and provide such factories, machinery, plant, tools and other appliances and materials as may be thought requisite or desirable.

(l) To purchase or otherwise acquire the whole or any part of the business, property and liabilities of any other person, firm or company carrying on any business which this Company is authorized to carry on.

(m) To enter into any agreement or arrangement with any one or more persons, firms, corporations, or joint-stock companies for carrying on all or any of the Company's business in combination of partnership with others or according to any agreed scheme or plan or at any particular rates or subject to any particular conditions.

(n) To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture-stock perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital.

(o) To improve, develop, lease, exchange, mortgage, sell or otherwise deal with all or any part of the moveable or immoveable properties of the Company.

(p) To promote any other company for the purpose of acquiring all or any of the property and liabilities of this company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.

(q) To sell the undertaking of the company or any part thereof for such consideration and upon such terms as the Company may think fit and in particular for shares, debentures, or other securities of any other company having objects altogether or in part similar to those of this company.

(r) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

(s) To carry on the business of leasing, hiring, selling, letting, hire-purchase and as a hire-purchase finance company carrying on as its business hire-purchase transactions or the financing of such transactions and an equipment leasing company carrying on the business of leasing of equipment or the financing of such activity and to acquire, provide on lease or on hire-purchase or deferred payment or on other similar basis all types of plant and machineries, industrial and office equipments, appliances, vehicles, land and building, real estates, moveable and immoveable properties and all other assets required for manufacturing, processing, mining, transportation, electricity generation, shipping, construction, fire fighting, water and waste treatment, pollution, environment control, medical, energy saving, commercial, trading and for other activities, to carry on the business as Investment Company and to acquire and hold and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company and debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any Government, sovereign ruler, commissioners, public body or authority supreme, municipal, local or otherwise landed property, whether in India or elsewhere and to undertake and carry on and execute financial operations.

(t) To carry on the business of finance and providing financial assistance and services of all types and kinds including merchant banking, bill discounting, portfolio management, financial investment and management consultants and advisors, trade finance, project finance, factoring, loan syndication, to borrow, to lend, to negotiate loans, to promote organize, procure and give financial or other assistance in India or abroad and to carry on the business of leasing, hiring, selling, letting, hire-purchases and as a hire purchase finance company, to carry on the business of a company established with the object of financing industrial enterprises within the meaning of Section 370 of the Companies Act, 1956, brokers dealers and agents in securities, bullion, precious metals and foreign exchange, banking, general insurance.

(u) To develop, market, import and export software, develop training programs and provide training for the use of sophisticated computers to develop hardware, design and produce prototypes of electronic equipment and to manufacture electronic equipment and to import or export software, hardware and all types of equipment, to carry on all kinds of research and development activities including research in the fields of computer technology, software technology, artificial intelligence, simulation computer added design, computer added manufacture, electronics in general, to provide for data entry and consultancy of all kinds, clerical services, management training, rental of software, rental of computers and other equipment and computer time and to provide library and language, translation services, to carry on the business of manufacturers, designers, buyers, sellers, printers, assemblers, exporters, importers, distributors, agents and dealer of computers, computer hardware, computer peripherals and computer stationery, whether with or without any brand name to carry on business of designers, manufacturers, buyers, sellers, assemblers, exporters, importers, distributors, agents, and dealer of computer hardware and other mechanical, electrical and electronic-mechanic assemblers and components including all kind of ferrous and non ferrous parts, to manufacture all kinds of accessories for computers including continuous stationery, forms, ribbons, spare parts to carry on the business of manufacture, import, export and deal in stationery items or articles, printers, computer stationery, continuous stationery, tapes, drives, disks, printers offset printers, engravers, die sinkers, envelope makers, writing paper ;and writing pad makers, book binders, account book manufacturer, machine rulers, numerical printers, box makers, paper bag and wrapper makers, grey board, card board, packages and containers, manufacturers and manufacturers of and dealers in all types of pulp and paper, grey boards, mill board, grease proof paper, gum, printing ink and all materials and substances used in manufacture of treatment of pulp paper, printing and stationery.

(v) To carry on the business of Civil Engineers and contractors and to build construct, alter, maintain, enlarge, pull down, remove or replace and to work manage control any offices, factories, mills, shops, machinery, warehouses, roadways, tramways, railways, branches or siding bridges, reservoirs, water courses, whares, gas works, electric works, water works, drainage, building and erections of every description telephone works, hotels, clubs, restaurants, bars, place of worship, place of amusement, parks, gardens and other works and conveniences and to subsidise contribute or otherwise assist or take part in doing any of these things and / or to join with any other person or company or with any Government or Governmental authority in doing any of these things, to build by these, hire otherwise acquire for close purchase on auction, sell or let out any land buildings and other property and carry on the business as house, land, property and estate agents and to arrange or undertake the sale purchase assist in selling or purchasing and find or introduce purchasers or vendors of and to manage land buildings and other property and provide all other services in connection with the purchase, sale, lease and acquisition of any land buildings and other properties to purchase, exchange or otherwise acquire real and personal property of all kinds and in particular land, oil wells, refineries, mines, mining rights, mineral ores, buildings, machinery land, shares, licenses, confessions, easement and other rights and privileges, whether for the purposes of resale or realization or otherwise".

*(w) To buy, in any part of India or elsewhere, for the purpose of manufacture raw cotton, silk, wool, jute, hemp and other fibres and all materials and things useful or necessary for dyeing, bleaching and printing purposes, to spin, weave, manufacture, dye, bleach and print and otherwise utilise the same and to sell in any part of India or elsewhere for cash or on credit, or to contract for the sale and future delivery of, or to send for sale in any part of India or elsewhere the yarn, cloth and other commodities so manufactured or prepared, as the Directors may deem advisable.

*(x) To carry on all or any of the businesses in any part of India or elsewhere, namely, the business of silk and cotton spinners, weavers and doublers, flax, hemp and jute spinners, linen, manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers, ginners and pressers, and makers of vitriol, bleaching. and dyeing materials, and to purchase, comb, prepare, spin, dye and deal in cotton, flax, hemp, jute, wool, cotton, silk and other fibrous substances and products, and to weave or otherwise manufacture, buy, sell and deal in, raw cotton, yarn, silk, wool, jute, flax, hemp and other fibrous substances and products, and in linen, cloth, and other goods, fabrics and materials, and to gin and press cotton, and to employ Agents, sub-agents, Brokers and Dealers for any of the purposes of the Company.

*(y) To manufacture, buy, sell, refill, repair, convert, adopt, alter, improve, demolish, let on hire and deal in cotton bowls, jute bowls, paper bowls, steel and all descriptions of machinery, equipment and apparatuses for textile and paper-manufacturing industries and for industries which are connected with or ancillary thereto.

*(z) To carry on the business of manufacturers and dealers in all kinds of cotton bowls, jute bowls, paper bowls, steel rolls, other bowls and machinery, equipment and apparatuses, implements and articles of all kinds required in the business of manufacturing any of the above articles.

*(z1) To carry on, in any part of the World, the business of Spinner, weaver, trading, processing, converting, glass weaving, technical weaving, conversion process, moulding, resin-infusion, cutting, manufactures, ginners, pressers, packer, and bales and cottons, jute, hemp, silk, wool, and other fibrous material, and the cultivation thereof, and the business of weaving or otherwise manufacturing, bleaching, dyeing, printing and selling yarn, cloth, linen, and other goods and fabrics whether textiles, fabrics, netted or looped and of buying, goods or merchandise made thereof and generally to carry on the business of cotton spinners and doublers, linen manufacturers, cotton, flax, hemp, jute, silk, wool, yarn and cloth merchants, bleacher & dyers, makers of vitriol, bleaching and dyeing material, and to transact all manufacturing or curing and preparing processes and mercantile business that may be necessary or expedient, and to purchase and vend raw material and manufactured articles.

*(z2) To carry on the business of engineers, iron-founders, mechanical engineers manufacturers of implements and machinery of all kinds, tool-makers, brass-founders, metalworkers, electrical engineers, boiler-makers, millwrights, mechanists, iron and steel founders, smiths, wood-workers bleachers, painters, metallurgists, welders, electrical engineers, water supply engineers and gas workers power generators and to carry out all processes of manufacture.

*(z3) To build, construct, alter, acquire, convert, improve, design, erect, establish, equip, purchase, invest in, develop, dismantle, pull down, remove or replace, turn to account, enlarge, furnish, level, decorate, furbish, fabricate, install, finish, repair, maintain, search, survey, examine, test, inspect, locate, relocate, modify, own, operate, protect, promote, provide, participate, reconstruct, drill, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist, maintain, manage, buy, sell, lease, convey, let on hire, commercialese, handle, control, and to act as builders, civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, subcontractor, turnkey contractor and manager of and dealers in all type of properties, real estate, buildings and structures including houses, flats, apartments, buildings, bungalows, cottages, rooms, suites, housing complexes and projects, commercial complexes, offices, garages, godowns, warehouses, shops, showrooms, factories, sheds, schools, colleges, hospitals, hotels, holiday resorts, clubs, restaurants, baths, places of worship, places of amusement, parks, gardens and other works and conveniences, theatres, shopping cum residential complexes, economic zones, industrial parks, roadways, tramways, railways, branches or siding, bridges, flyovers, reservoirs, specialized foundations including pile foundations, exploratory borings, watercourses, culverts, dams, jetties, berths, harbours, dry docks, marine structures, sea wells landings, canals, drainage, water distribution and filtration systems, docks, harbours, piers, irrigation works, foundation works, airports, runways, rock drillings, acqaducts, stadiums, hydraulic units, telephone works, wharves, gas works, electric works, water works, buildings and erections of every description and to act as traders, dealers, merchants, agents, sub-contractors, brokers, factors, adatias, delcredere agents, buyer, seller, importer, exporter, distributor, stockiest of or otherwise to deal in all types of building materials, raw materials, goods, fittings, parts, accessories, know-how, consumables, plant and machineries, equipments, tools and tackles, articles and facilities.

*(z4) To carry on the business of generation, developing, transmitting, trading, accumulation, distribution and supply of and to generally deal in all forms of electrical power/energy including dealing in all aspects of Wind power, Thermal, Hydro, Nuclear, Solar, Tidal, Bio mass and power generated through any Conventional/Non-conventional/Renewable Energy sources including construction, generation, operation & maintenance, renovation & modernization of Power Stations and Power Projects and also to undertake the business of other allied/ancillary industries including those for utilization/sale/supply of steam and ash generated at power stations and other by-products and deal-in, supply, install, operate, and manage all necessary plants, items of equipment, cables, wires, lines, establishments and other works related to Energy/Power and other forms of Energy/Power services like Project Management, Project Advisory services, including Supply of Coal, Fuel Oil, gas based captive power and to carry on in India or out of India the business of power, minerals and fuels of all kind, to establish, operate and maintain power generation stations and plants, accumulation, tie-lines, sub-stations, workshops, transmission lines, to establish and develop power projects and other infrastructure projects to promote industrial, commercial activity for inland and foreign trade, and to do government liaison work and other work.

4. The management of the business of the Company shall be conducted under the control of the Directors.

5. The liability of the Shareholders is limited.

6. *The Share Capital of the Company is 38,55,00,000/- (Rupees Thirty Eight Crores Fifty Five Lakhs only) divided into 2,77,67,500 Equity Shares of Rs.10/- (Rupees Ten) each, 2,500 5% Redeemable Cumulative “A” Preference Shares of Rs.10/- (Rupees Ten) each, and 7,80,000 15% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.10/- (Rupees Ten) each and 1,00,00,000 Preference Shares of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify of abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the company and the Legislative provisions for the time being in force.

* Note:- Clause W to Z4 have been inserted pursuant to the Scheme of Amalgamation between The Hindoostan Spinning and Weaving Mills Limited with The Sirdar Carbonic Gas Company Limited duly sanctioned by the Hon’ble High Court of Bombay vide its order dated 1st of April, 2011.

* Clause 6 have been amended pursuant to the Scheme of Amalgamation between Hindoostan Technical Fabrics Limited with Hindoostan Mills Limited duly sanctioned by the Hon’ble High Court of Bombay vide its order dated 10th of October, 2014.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective name and declare that the amount of Capital so subscribed for by us shall be the minimum subscription upon which this Company may commence business.

Names, Addresses, and Description of Subscribers.	Number of Shares taken by each Subscriber.
Richard Augustus Willis Merchant, Bombay	Fifty
R. S. Contractor contractor Mori Bunder	Twenty
Glen Bruce King Macleod Apollo Street -	Fifty -
[illegible] Hermes Handasyd Hopkins	Twenty
[illegible] [illegible] Road.	Twenty
[illegible] William Rendall Pennington. [illegible] Bombay.	Forty.
Francis Hogan Apollo Bunder Bombay	Twenty five

[illegible]d this 10th day
May 1904.

Kashinath Vittal [illegible]
[illegible] [illegible] [illegible]
Witness to the above signatures.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.95 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.814 OF 2010

THE HINDOOSTAN SPINNING AND WEAVING MILLS LIMITED

..Petitioner / Transferor Company

AND

COMPANY SCHEME PETITION NO.96 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.815 OF 2010

THE SIRDAR CARBONIC GAS COMPANY LIMITED

..Petitioner / Transferee Company

In the matter of the Companies Act, 1956
AND
In the matter of Petition under Sections 391 to 394 of the Companies Act, 1956
AND
In the matter of SCHEME OF AMALGAMATION BETWEEN THE HINDOOSTAN SPINNING AND WEAVING MILLS LIMITED
..Transferor Company
AND
THE SIRDAR CARBONIC GAS COMPANY LIMITED
..Transferee Company

Mr. NaserAli Rizvi i/b M/s. Thakore Jariwala & Associates, Advocates for Petitioners

Mr. C.J. Joy i/b Mr. H.P. Chaturvedi for Regional Director in all the Petitions

Dr. T. Pandian, Official Liquidator present in Court in C.S.P. No.95 of 2011

CORAM: S. J. Vazifdar, J.

DATE: 01st April, 2011

PC:

1. Heard learned Counsel for parties.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Amalgamation between The Hindoostan Spinning and Weaving Mills Limited, the Transferor Company with The Sirdar Carbonic Gas Company Limited, the Transferee Company and their respective shareholders and creditors for the amalgamation of the said Transferor Company with the Transferee Company.

3. The Counsel appearing on behalf of the Petitioner Companies has stated that they have complied with all the requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956, and the Rules made there under. The Undertaking is accepted.

4. The Regional Director has filed an Affidavit, interalia, stating therein that save and except as stated in paragraphs 6(a), (b) & (c), it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the Affidavit, it is stated that:-

6. *"Deponent submits that:*

a. *As per clause 7.2 of the Scheme, the name of the Transferee Company is proposed to be changed to "Hindoostan Limited". In this connection the*

Transferee Company may be directed to comply with the provisions of Section 21 of the Companies Act, 1956 in respect of the filing of the necessary forms with the Registrar of Companies and the proposed new name will be allowed subject to the availability of the same, by the Registrar of Companies since under the computerised MCA 21 System of allotting the names, it is systemically not possible to reserve the names. Therefore, the name if available at the time filing of such application, shall be made available by the Registrar of Companies, Mumbai on the basis of the guidelines prescribed by the government.

b. *Clause 7.3 of the Scheme deals with change in Objects of the Memorandum of Association of the Transferee Company. In this connection, the Transferee Company may be directed to comply with Section 40 read with section 18 of the Act and to file amended copy of Memorandum of Association alongwith Form 21 with the Registrar of Companies.*

c. *As per clause 5.6 of the Scheme, the Transferee Company may be directed to comply with the applicable laws or regulations for complying with necessary statutory and regulatory requirements as well as the listing formalities of the stock exchange."*

5. So far as the remark made by the Regional Director in paragraph 6(a) of the Affidavit is concerned, the Transferee Company undertakes to comply with the provisions of Sections 21/23 of the Companies Act, 1956 and to file the necessary forms after payment of filing fees with the Registrar of Companies, and the proposed new name will be allowed subject to the availability under the computerized MCA 21 system of allotting names. The said undertaking is accepted.

6. So far as the remark made by the Regional Director in paragraph 6(b) of the Affidavit is concerned, the Transferee Company undertakes to file an amended copy of the Memorandum of Association with the Registrar of Companies as per the provisions of Section 40 read with Section 18 of the Companies Act, 1956 along with Form No.21. The said undertaking is accepted.

7. So far as the remark made by the Regional Director in paragraph 6(c) of the Affidavit is concerned, the Transferee Company undertakes to comply with the applicable laws or regulations, necessary statutory and regulatory requirements as well as the listing formalities of the stock exchange. The said undertaking is accepted.

8. The Official Liquidator has filed his report in Company Scheme Petition No. 95 of 2011 stating that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.

9. From the material on record, the scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

10. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No.95 of 2011 and Company Scheme Petition No.96 of 2011 are made absolute in terms of prayer in clauses (a) to (j) of the respective Petitions.

11. The Transferee Company to lodge a copy of this order and the scheme, duly authenticated by the Company Registrar, High Court, Bombay, with the

concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.

12. The Petitioner Companies in both the Petitions to pay costs of Rs.10,000/- to the Regional Director, Western Region, Mumbai, and the Petitioner Company in Company Scheme Petition No.95 of 2011 to pay a sum of Rs.10,000/- to the Official Liquidator, High Court, Bombay, towards his costs. Costs to be paid within four weeks from the date of the order.

13. Filing and issuance of the drawn up order is dispensed with.

14. All authorities concerned to act on a copy of this order duly authenticated by Company Registrar, High Court of Bombay.

(S. J. Vazifdar, J.)

SCHEME OF AMALGAMATION

Of

THE HINDOOSTAN SPINNING AND WEAVING MILLS LIMITED

....Transferor Company

With

THE SIRDAR CARBONIC GAS COMPANY LIMITED

......Transferee Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 391 To 394 OF THE COMPANIES ACT, 1956)

PREAMBLE

The Scheme of Amalgamation provides for the Amalgamation of THE HINDOOSTAN SPINNING AND WEAVING MILLS LIMITED (Transferor Company or HINDOOSTAN or HSWML) a company incorporated under the Companies Act, 1956 having its registered office at Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Mumbai-400 001 with THE SIRDAR CARBONIC GAS COMPANY LIMITED (Transferee Company or SIRDAR or SCGCL) a company incorporated under the Companies Act, 1956 having its registered office at 215 /219 2nd Floor, Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Mumbai-400 001, pursuant to the provisions of Section 391 to 394 and other relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

The Transferor Company i.e. The Hindoostan Spinning and Weaving Mills Ltd. a Thackersey group Company was originally promoted by Thackersey Mooljee family and Ramji Purshottam Vora family and was incorporated on January 11, 1882, under the Act No. X of 1866 of the

Legislative Council of India under the name of The Indian Manufacturing Company Limited (IMCL), is one of the oldest composite textile mills in India. HSWML was formed by amalgamating two mills viz., The Hindoostan Spinning and Weaving Mills Company Limited and The Indian Manufacturing Company Limited. The Crown Spg. & Mfg. Company Limited (CM) another composite mill with a separate process house belonging to the Thackersey Family was also merged with The Hindoostan Spg.& Wvg.Mills Ltd. The company's products are well known in the domestic market and are marketed under the brand name of "Thackersey Fabrics". Other popular brand names of the Company are "Cholee", "Cronester" and "Easy Care". The Transferor Company is listed on the Bombay Stock Exchange Limited (BSE).

The Transferee Company i.e. The Sirdar Carbonic Gas Company Limited, managed by the Thackersey family for a number of years, was originally incorporated on 12th May 1904 under the Indian Companies Act VI of 1882 to manufacture, buy and sell in Soda Water Machinery and its accessories, Filters and Sterilizers, Ice–Machine for the manufacture of Ice, Carbonic Gas Machinery etc. and it is now engaged in the business of manufacturing and refilling of elastic Calendar Bowls of Cotton, Fibre, Jute Mills Calendar Machine, Back filling Machines and Laxmi Helextra high efficiency liquid extraction rollers and leasing of Plant & Machinery, business service centers and also is engaged in investment & financing activities. During 2000-2001 M/s. Eck Haubold & Laxmi Ltd., (Eck Haubold) a manufacturing company of calender bowls (a Thackersey Group Company) amalgamated with The Sirdar Carbonic Gas Co. Ltd. with a view to carry on the combined business more economically and effectively. Today, the company not only fulfils the domestic requirement for these rolls, it also exports cotton / paper calendar bowls and Laxmi Helextra non-woven rolls to countries like Australia, Bangladesh, Indonesia, Nigeria, Pakistan, Sri Lanka and Vietnam. The Transferee Company is listed on the Bombay Stock Exchange Limited (BSE).

BENEFITS OF THE SCHEME

The background and circumstances which justify the said amalgamation are inter- alia as follows.

a) The Transferor Company and the Transferee Company are companies with the same management. The proposed Scheme would strengthen and consolidate the position of the Transferee Company to develop and concentrate on the core competency of the promoters in textile and manufacturing activities.

b) The Sirdar Carbonic Gas Company Limited and The Hindoostan Spinning And Weaving Mills Limited both are engaged in businesses which are complimentary to each other. With a view to take advantage of consolidation in the current competitive environment, it is proposed to consolidate operations and amalgamate the two companies, which would result in benefits from economies of scale of operations and increased market share.

c) The existence of independent companies at times result in duplication of efforts and the integration and combination of such businesses will lead to greater and optimal utilization of resources. The amalgamation would, therefore, enable the Transferee Company to increase operations and confer a competitive advantage on the entire business. With integrated processes, the Transferee Company can achieve higher scales of operation.

d) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.

e) Better efficiency in cash management of the amalgamated entity, and unfettered access to cash-flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

f) The amalgamated company will have the benefit of synergy, optimum use of manpower for executing and management of various projects, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.

g) Strengthened leadership in the Industry, in terms of the asset base, revenues, product range, production volumes and market share of the combined entity. The amalgamated entity will have the ability to leverage on its large asset base, diverse range of products and services, and vast pool of intellectual capital, to enhance shareholder value.

h) Benefit of operational synergies to the combined entity in areas such as commissioning and operation of textile business activities etc. which can be put to the best advantage of the stakeholders.

i) Pursuant to the implementation of the Scheme, the objects of the Transferor Company and the Transferee Company can be conveniently, advantageously and economically carried on by a single entity.

j) The amalgamation would enable the companies concerned to combine their resources, expand their activities and rationalize and streamline their management, business and finances and eliminate duplication of work to their common advantage. It will enhance the share value for the benefit of the shareholders of the transferee company and will have beneficial results for all other concerned.

k) To achieve the desired objectives, a Scheme of Amalgamation has been arrived at by the Board of Directors of the aforesaid companies and it has been decided to make the requisite application before the Hon'ble High Court of Bombay under Sections 391 to 394 of the Companies Act, 1956 for the sanction of the following Scheme of Amalgamation (hereinafter referred to as the 'Scheme') of the aforesaid companies.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on 27th October, 2010 have considered and approved the proposed amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company subject to necessary statutory approvals, in order to benefit the stakeholders of the Transferor Company and the Transferee Company. Accordingly, the Board of Directors of both the Companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Companies Act, 1956.

A. PARTS OF THE SCHEME OF AMALGAMATION

The Scheme of Amalgamation is divided into the following parts:

1. **PART 1** which deals with the Definitions and Date of taking effect of the Scheme

2. **PART 2** which deals with the Share Capital of the companies concerned

3. **PART 3** which deals with Transfer and Vesting of the undertakings

4. **PART 4** which deals with the Conduct of Business by Transferor Company till effective date

5. **PART 5** which deals with Discharge of Consideration

6. **PART 6** which deals with Accounting Treatment in the books of Transferee Company

7. **PART 7** which deals with the Other Terms and Conditions

PART 1

DEFINITIONS AND DATE OF TAKING EFFECT OF THE SCHEME

1 **DEFINITIONS.**

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

1.1 **"Act"** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

1.2 **"Appointed Date"** means 01st April, 2010 or such other date as may be approved by the High Court of Judicature at Bombay or any other appropriate authority.

1.3 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-tax Act, 1961.

1.4 **"Effective Date"** means the dates on which certified copies of the Orders of the High Court of Judicature at Bombay or any other appropriate authority sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.

1.5 **"High Court"** means the High Court of Judicature at Bombay having jurisdiction in the matter.

1.6 **"Record Date" (For Transferor Company) means** the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company for the purpose of reckoning names of the Equity Shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company, upon coming into effect of this Scheme.

1.7 **"Record Date"(For Transferee Company)** means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of reckoning names of the Equity Shareholders of the

Transferee Company, who shall be entitled to receive subdivided shares of the Transferee Company, upon coming into effect of this Scheme.

1.8 **"Scheme"** or **"the scheme"** or **"this Scheme"** means this scheme of amalgamation in its present form submitted to High Court or any other appropriate authority or with any modification(s) made under Clause 7.6 of Part 7 of this Scheme.

1.9 **"Subsidiary"** means a subsidiary as defined under Section 4 of the Companies Act, 1956.

1.10 **"The Transferee Company"** or **"SCGCL"** means The Sirdar Carbonic Gas Company Limited, a company incorporated under the provisions of the Indian Companies Act VI of 1882 and having its Registered Office at 215/ 219, 02nd Floor, Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Mumbai-400 001.

1.11 **"The Transferor Company"** or **"HSWML"** means The Hindoostan Spinning and Weaving Mills Limited, a company incorporated under Act No. X of 1866 of the Legislative Council of India and having its Registered Office at Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Mumbai-400 001.

1.12 **"The Undertaking"** shall mean and include the entire business and undertaking of the Transferor Company as a going concern and shall include (without limitation):

a) All the investments, assets and properties of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets");

b) All the debts, liabilities, duties and obligations of the Transferor Company including contingent liabilities as on the Appointed Date (hereinafter referred to as "the said liabilities");

c) all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits including the right to deduction under Section 72A and any other exemptions available under the Income Tax Act, 1961(or any statutory modification or re-enactment thereof for the time being in force) in respect of the carried forward and set off of losses of the undertaking, all other rights including sales tax deferrals and exemptions and other benefits, receivables and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts, customer contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

d) Without prejudice to the generality of sub-clause (a) above, the Undertakings of the Transferor Company shall include the reserves, balances in the Capital Redemption Reserve, Securities Premium Account, General Reserve, Profit and Loss Account, movable and immovable properties including land and building, plant and machinery, including equipments, furniture, fixtures, vehicles, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, brands, sub-letting tenancy rights, goodwill, other intangibles, permits, authorizations, trade marks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, unutilized deposits or credits, brought forward accumulated tax losses, unabsorbed depreciation, etc, benefits under the VAT/Sales Tax Act, VAT/sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits, etc.) and where so ever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date.

2 **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

PART 2

SHARE CAPITAL

The Authorized, Issued, Subscribed and Paid up Share Capital of THE HINDOOSTAN SPINNING AND WEAVING MILLS LIMITED as per the latest audited Balance Sheet as at 30th September, 2009 is as under:-

Particulars	(Amount in Rs)
Authorised Share Capital	
1,57,90,000 Equity Shares of Rs.10/- each	15,79,00,000
1,42,10,000 Unclassified Shares of Rs.10/- each	14,21,00,000
Total	**30,00,00,000**
Issued, Subscribed and Fully Paid-Up	
1,47,83,900 Equity Shares of Rs.10/- each fully paid up	14,78,39,000
Total	**14,78,39,000**
Out of the above 1. 7,68,000 Equity Shares of Rs.10/- each are allotted as fully paid up without payment being received in cash pursuant to the Scheme of Amalgamation sanctioned by the Order of the High Court dated 13-3-1970. 2. 10,00,000 Equity Shares of Rs.10/- each are allotted as fully paid up without payment being received in cash pursuant to the Scheme of Amalgamation sanctioned by the Order of the High Court dated 21-6-1976. 3. 43,02,000 Equity Shares of Rs.10/- each are allotted as fully paid up Bonus shares by capitalization of Reserves.	

The Authorised, Issued, Subscribed and Paid up Share Capital of THE SIRDAR CARBONIC GAS COMPANY LIMITED as per the latest audited Balance Sheet as at 31st March, 2010 is as under:

Particulars	(Amount in Rs)
<u>Authorised Share Capital</u>	
2,53,000 Equity Shares of Rs.100/- each	2,53,00,000
2,500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- each	25,000
7,80,000 15% Non Convertible Redeemable Non Cumulative Preference Shares of Rs.10/- each	78,00,000
2,37,500 unclassified shares of Rs.10/- each	23,75,000
Total	**3,55,00,000**
<u>Issued, Subscribed and Fully Paid-Up</u>	70,58,400
70,584 Equity Shares of Rs.100/- each fully paid-up (Net of 12,018 Equity Shares held by erstwhile subsidiaries cancelled on amalgamation)	70,58,400
Total	**70,58,400**

PART 3
TRANSFER AND VESTING OF UNDERTAKINGS

3.1 VESTING OF UNDERTAKINGS

3.1.1 With effect from the opening of business as on Appointed Date, the undertaking of the Transferor Company shall be transferred to and vested in or deemed to have been transferred to the Transferee Company in accordance with the provisions of Section 2(1B) of the Income tax Act, 1961 in the following manner:

3.1.2 With effect from the Appointed Date, the entire business and whole of the undertakings of the Transferor Company shall pursuant to the provisions contained in section 391 to 394 and all other applicable provisions, if any, of the said Act and without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company so as to vest in the Transferee Company all rights, title and interest pertaining to the Transferor Company.

3.1.3 With effect from the Appointed Date, the entire business and whole of the undertaking, as defined hereinabove, of the Transferor Company shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company. The benefit of all brands, copyrights, trademarks, actionable claims, all rights / title or interest in property (ies) by virtue of any court order / Decree, contractual arrangement, allotment, grant, possession or otherwise, statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to Transferee Company pursuant to this Scheme.

3.1.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, whether or not provided in the books of the Transferor Company shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

3.1.5 In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferor Company and the Transferee Company.

3.1.6 In respect of any moveable assets of the Transferor Company other than those mentioned in Clause 1.12 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company and the Transferee Company shall, issue notices in such form as they deem fit and proper stating that pursuant to the High Court of Judicature at Bombay having sanctioned the Scheme between the Transferor Company and the Transferee Company under Section 391 to 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the

Transferor Company to recover or realize the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

3.2 STAFF, WORKMEN & EMPLOYEES

3.2.1 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.

3.2.2 It is expressly provided that, on the Scheme becoming effective, any Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall be transferred to and shall get consolidated with the corresponding funds of the Transferee Company. Further the Transferee Company shall have the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds. Until such time that Transferee Company creates/arranges for its own funds, Transferee Company may, subject to necessary approvals and permissions if any, continue to make contributions pertaining to the employees of the Transferor Company to the relevant fund of the Transferor Company. Such contributions and other balances pertaining to the employees of the Transferor

Company shall be transferred to the funds created by Transferee Company on creation of relevant funds/arrangements by Transferee Company.

3.3 **CONTRACT, DEEDS, ETC.**

3.3.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favor of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company has been a party thereto.

3.3.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations, to which the Transferor Company as the case may be will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

3.4 **TAXES / DUTIES**

3.4.1 It is clarified that all taxes payable by the Transferor Company, relating to the transferred undertaking, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its Income tax returns, VAT and Sales tax returns, Excise & Modvat / Cenvat returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme, if any.

3.4.2 In accordance with the Modvat /Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods lying to the account of the Transferor Company, if any, shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty payable by it.

3.4.3 It is expressly provided that all benefits including but not limited to tax exemption, deduction, concession, subsidies, permits, rights, approvals under the Income tax Act, 1961 available / enjoyed by the Transferor Company, relating to the transferred undertaking, from the Appointed Date onwards be treated as tax exemption, deduction, concession, subsidies, permits, rights, approvals of the Transferee Company. Further subsequent to the Scheme of Amalgamation, receipts, if any, including from Income tax Authorities on account of refund orders, etc. in the name of the Transferor Company shall be credited to the account of the Transferee Company.

3.5 LEGAL PROCEEDINGS

3.5.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

PART 4
CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

4.1 BUSINESS AND PROPERTY IN TRUST FOR TRANSFEREE COMPANY

With effect from the Appointed Date and up to the Effective Date:

4.1.1 The Transferor Company shall carry on and shall be deemed to have carried on its business and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of the entire business and undertakings for and on account of and in trust for the Transferee Company.

4.1.2 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company in respect of its business and activities shall for all purposes be treated and deemed to be the profits or income or expenditure or losses of the Transferee Company as the case may be.

4.1.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions, which the Transferee Company may require to carry on the business of the Transferor Company.

4.2 CONDUCT OF BUSINESS

As and from the date of acceptance of this Scheme by the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company till the Effective Date:

4.2.1 The Transferor Company shall carry on their business with reasonable diligence and in the same manner as it had been doing hitherto for and the Transferor Company shall not alter or expand or make any material changes in business contracts except with the concurrence of the Transferee Company.

4.2.2 The Transferor Company shall not, without the written concurrence of Board of Directors of the Transferee Company, increase their debt exposure, alienate, charge or encumber any of its properties referred to in Clause 3.1 of part 3 above except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.

4.2.3 The Transferor Company shall not vary or alter, except in the ordinary course of its business and as may be required for Amalgamation, the terms and conditions of employment of any of its employees.

4.2.4 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company.

4.3 <u>SAVING OF CONCLUDED TRANSACTIONS</u>

The transfer of the entire business and the undertaking of the Transferor Company to Transferee Company and the continuance of all contracts or proceedings by or against the Transferor Company shall not affect any contracts or proceedings already concluded by the Transferor Company on or after the Appointed Date till the effective date, to the end and intent that Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company in regard thereto as having been done or executed on behalf of Transferee Company.

PART 5

DISCHARGE OF CONSIDERATION

5.1 SUB – DIVISION OF THE SHARE CAPITAL OF THE TRANSFEREE COMPANY:

The Equity Shares of the face value of Rs.100/- each in the Authorised Share Capital of the Transferee Company be sub-divided into 10 Equity Shares of Rs.10/- (Rupees Ten) each and that the Transferee Company shall not be required to pass any resolution pursuant to the provisions of Section 94(1)(d)and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or re-enactment thereof, for subdivision of the existing Equity Shares of the face value of Rs.100/- (Rupees One Hundred) each into 10 Equity Shares of the face value of Rs.10/- (Rupees Ten) each in the Authorized Share Capital of the Transferee Company. Further pursuant to the sub-division of Authorised Equity Share Capital of the company, the Issued, Subscribed and Paid –up Equity Shares of the face value of Rs.100/- (Rupees one Hundred) each as existing on the Record Date, shall be sub-divided into Equity Shares of the face value of Rs.10/- (Rupees Ten) each fully paid up with effect from the Record Date. Further, it shall be deemed that the members of the Transferee Company have accorded their consent as required under the Act. Accordingly, the Sub-divided Authorised Share Capital of the Transferee Company will be:

The Share Capital of the Company is Rs.3,55,00,000/- (Rupees Three Crores and Fifty Five Lakhs only) divided into 25,30,000 Equity Shares of Rs.10/- (Rupees Ten) each, 2,500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- (Rupees Ten) each 7,80,000 15% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.10/- (Rupees Ten)and 2,37,500 Unclassified Shares of Rs.10/- each with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify of abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the company and the Legislative provisions for the time being in force.

The sub-divided issued, subscribed and paid up Equity Share Capital of the Transferee Company will be Rs.70,58,400/- (Rupees Seventy Lakhs Fifty Eight Thousand Four Hundred only) divided into 7,05,840 Equity Shares of Rs.10/- (Rupees Ten) each.

5.2 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company subject to the provisions of this Scheme shall issue and allot to the equity shareholders of the Transferor Company, and whose name appears in the Register of Members as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, 8 (Eight) Equity Shares of the Transferee company (Sirdar) of Rs.10 (Rupees Ten) each fully paid up for every 100 (One Hundred) Equity Shares of Rs.10 (Rupees Ten) each fully paid up held in the Share Capital of the Transferor Company (Hindoostan). The ratio in which Equity Shares of The Transferee Company are to be issued and allotted to the Members of the Transferor Company is herein referred to as the " Fair / Share Exchange Ratio"

5.3 The Equity shares to be issued to the shareholders of the Transferor Company by the Transferee Company pursuant to Clause 5.2 above, shall be issued in the demat form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Boards of Directors of the Transferee Company or by a Committee created thereof.

5.4 In case any member's holding in the Transferor Company is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, then the Transferee Company shall not issue fractional share certificates to such member but shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on the issue and allotment of equity shares of the Transferee Company and allot consolidated equity shares to a trustee nominated by the Transferee Company in that behalf.

5.5 The trustee nominated by the Transferee Company under Clause 5.4 above shall, at its discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

5.6 The Equity Shares issued by the Transferee Company in terms of clause 5.2 above shall be listed and / or admitted to trading on Bombay Stock Exchange Limited where the shares of the Transferee Company are listed and / or admitted to trading as on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with necessary statutory and regulatory requirements as well as the listing formalities of the said stock exchange. On such formalities being fulfilled the said stock exchange shall list and / or admit such Equity Shares also for the purpose of trading.

5.7 The Equity shares to be issued and allotted by the Transferee Company in terms of clause 5.2 above shall rank pari passu in all respects including dividend with the existing Equity shares of the Transferee Company.

5.8 RE-CLASSIFICATION OF THE SHARE CAPITAL OF THE TRANSFEROR COMPANY:

The Authorised Share Capital of the Transferor Company be re-classified and re-organized, in the manner mentioned below and that they shall not be required to pass any resolution for the purpose of re-classification of the Authorized Share Capital of the Transferor Company pursuant to the provisions of Section 16, 31 & 94 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or re-enactment thereof, for re-classification and re-organisation of the unclassified shares of the face value of Rs.10/- (Rupees Ten) each into Equity Shares of the face value of Rs.10/- (Rupees Ten) and Preference Shares of Rs.10/- (Rupees Ten) each. Further, it shall be deemed that the members of the Transferor Company have accorded their consent as required under the Act. Accordingly, the re-classified Authorised Share Capital of the Transferor Company as per Clause V of the Memorandum of Association will be:

The Authorised Share Capital of The Hindoostan Spinning and Weaving Mills Limited shall be reclassified and reorganized **FROM** Rs.30,OO,OO,OOO/- (Rupees Thirty Crores only) divided into 1,57,90,000 Equity Shares of the face value of Rs.10/- (Rupees Ten) each and 1,42,10,000 Unclassified Shares of the face value of Rs.10/- (Rupees Ten) each **TO** is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 2,00,00,000 Equity Shares of the face value of Rs.10/- (Rupees Ten) each and 1,00,00,000 Preference Shares of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital of the Company or divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate and such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the Company and the legislative provisions for the time being in force and all which Share Capital shall be capable of being increased and with power to reduce and repay the Capital for the time being or any portion thereof in accordance with the Company's Regulations and the legislative provisions for the time being in force that behalf.

5.9 **RE-CLASSIFICATION OF SHARE CAPITAL OF THE TRANSFEREE COMPANY:**

The Unclassified Shares in the Authorised Share Capital of the Transferee Company be re-classified and re-organized as Equity Shares and that they shall not be required to pass any resolution pursuant to the provisions of Section 16, 31 & 94 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or re-enactment thereof, for re-classification and re-organisation of the existing unclassified Shares of the face value of Rs.10/- (Rupees Ten) each in the Authorized Share Capital of the Transferee Company and further be re-classified and re-organized into Equity shares of the face value of Rs.10/- (Rupees Ten) each. Further, it shall be deemed that the members of the Transferee Company have accorded their consent as required under the Act. Accordingly, the re-classified and re-organized Authorised Share Capital of the Transferee Company will be:

The Share Capital of the Company is Rs.3,55,00,000/- (Rupees Three Crores and Fifty Five Lakhs only) divided into 27,67,500 Equity Shares of Rs.10/- (Rupees Ten) each, 2,500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- (Rupees Ten) each and 7,80,000 15% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential. Deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify of abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the company and the Legislative provisions for the time being in force.

5.10 TRANSFER OF AUTHORISED CAPITAL OF TRANSFEROR COMPANY TO THE CREDIT OF THE AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY:

Upon the scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking in the Transferee company in terms of the scheme, the Authorized share Capital of the Transferor Company shall stand transferred and credited to the Authorized Share Capital of the Transferee Company and stand increased and re-classified and re-organized from:-

The Authorised Share Capital of THE HINDOOSTAN SPINNING AND WEAVING MILLS LIMITED is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 2,00,00,000 Equity Shares of the face value of Rs.10/- (Rupees Ten) ~~each~~ and 1,00,00,000 Preference Shares of Rs.10/- (Rupees Ten) each shall stand transferred to the credit of the Authorised Equity Share Capital and Preference share Capital of THE SIRDAR CARBONIC GAS COMPANY LIMITED so that the Authorised Share Capital shall stand increased **FROM** Rs.3,55,00,000/- (Rupees Three Crores and Fifty Five Lakhs only) divided into 27,67,500 Equity Shares of Rs.10/- (Rupees Ten) each, 2,500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- (Rupees Ten) each and 7,80,000 15% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.10/- (Rupees Ten) each **TO** Rs.33,55,00,000/- (Rupees Thirty Three Crores Fifty Five Lakhs only) divided into 2,27,67,500 Equity Shares of Rs.10/- (Rupees Ten) each, 2,500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- (Rupees Ten) each and 7,80,000 15% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.10/- (Rupees Ten) each and 1,00,00,000 Preference Shares of Rs.10/- (Rupees Ten) each.

In consequence of the increase in the Authorised Share Capital, as mentioned above, the clause of share capital shall be as under:

The Share Capital of the Company is 33,55,00,000/- (Rupees Thirty Three Crores Fifty Five Lakhs only) divided into 2,27,67,500 Equity Shares of Rs.10/- (Rupees Ten) each, 2,500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- (Rupees Ten) each, and 7,80,000 15% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.10/- (Rupees Ten) each and 1,00,00,000 Preference Shares of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify of abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the company and the Legislative provisions for the time being in force.

It is clarified that the Transferee Company shall not be required to pass any resolution for the purpose of Increase in Authorized Share Capital of the Transferee Company pursuant to section 16, 31, 94 and other applicable provisions, if any, of the Companies Act, 1956, it shall be deemed that the members of the Transferee company have accorded their consent as required under the Act.

The filing fee and stamp duty already paid by the Transferor Company on its Authorised Share Capital shall be deemed to have been so paid by the Transferee Company on the combined Authorised Share Capital.

5.11 The Equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.

5.12 Any Equity Shares issued by the Transferor Company and held by the Transferee Company, and / or vice versa, shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Record Date, stand cancelled as on the Record Date and be of no effect, and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation in that behalf.

5.13 Equity shares to be issued by the Transferee Company pursuant to Clause 5.2 in respect of such of the equity shares of the Transferor Company that are held in abeyance under the provisions of 206A of the Act or otherwise shall, pending allotment or settlement of dispute by the order of the Court or otherwise, also be kept in abeyance by the Transferee Company.

5.14 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferee Company shall be empowered in appropriate cases, prior or even subsequent to the Record Date, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the shares in the Transferee Company and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Transferee Company on account difficulties faced in the transaction period.

5.15 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provision of Section 81(1A) and other relevant and applicable provision of the Act for the issue and allotment of Equity Shares by the Transferee Company to the shareholder of the Transferor Company, as provided in this Scheme.

5.16 Unless otherwise determined by the Board of Directors or any

5.1

committee thereof of the Transferee Company, allotment of Equity Shares in terms of clause 5.2 of this part shall be done within 4 months from the effective date.

5.17 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of The Hindoostan Spinning And Weaving Mills Limited under the Scheme.

PART 6

COUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

ACCOUNTING TREATMENT

The Transferee Company shall follow pooling of interest method for accounting for the amalgamation as per Accounting Standard - 14 issued by the Institute of Chartered Accountants of India, subject to the following:

6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Assets and Liabilities (includes reserves if any) of the Transferor Company shall be recorded in the books of the Transferee Company at their respective book values as recorded in the books of the Transferor Company subject to such corrections and adjustments, if any, as may in the opinion of the Board of Directors of the Transferee Company be necessary or required and to the extent permissible in law.

6.2 It is clarified that the balance in the Reserves account including Capital Redemption Reserve Account, Securities Premium Account, General Reserve and Profit and Loss Account of the Transferor Company as on the Appointed Date, shall be transferred to and aggregated with the corresponding Reserves in the books of the Transferee Company. It is clarified that identity of Reserves of the Transferor Company shall be preserved upon transfer thereof to the Transferee Company.

6.3 In case of any difference in the accounting policy of the Transferor Company and that of the Transferee Company, the impact thereof shall be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of the consistent accounting policy.

6.

6.4 Upon coming into effect of this Scheme, to the extent that there are inter-company investments, loans, advances, investment, deposit balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

6.5 The excess of, or deficit, in the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall, after adjusting the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Company pursuant to this Scheme and the amounts recorded in terms of Clause 6.2 above, be adjusted in the Reserves in the books of the Transferee Company.

6.6 Notwithstanding the method of accounting adopted by the Transferee Company, the losses /depreciation of the Transferor Company will be allowed to be taken over by the Transferee Company as it is for the purpose of computing "book profit" as per the provisions of section 115JB of the Income tax Act, 1961 or any other applicable provisions introduced by any Finance Act.

6.7 Notwithstanding the above, the Transferor Company and the Transferee Company, in consultation with their statutory auditors, are authorized to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit

PART 7

OTHER TERMS AND CONDITIONS

7.1 DIVIDENDS, PROFITS, BONUS/RIGHT SHARES

7.1.1 For the avoidance of doubt it is hereby cleared that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its Equity and Preference Shareholders as on the respective record date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee company prior to the effective date.

7.1.2 On and from the earlier of the dates of filing this Scheme with High Court and until the effective date, the Transferor Company shall declare dividend only ~~after prior~~ consultation with the Transferee Company.

7.1.3 The holders of the shares of the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including right to receive the dividends.

7.1.4 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividend which, subject to the provisions of the said Act, shall be entirely at the discretion of the said Company and subject to approval of the shareholders of the said Company.

7.1.5 The Equity shares shall rank pari passu with the existing Equity Shares of the Transferee Company in all respects including dividend.

7.2 CHANGE OF NAME

a) On or after the effective date, the name of the Transferee Company shall stand changed to HINDOOSTAN LIMITED or such other name as may be desired by the Board of Directors of The Sirdar Carbonic Gas Company Limited and made available for adoption and approved by the Registrar of Companies, Maharashtra, Mumbai.

b) The name of the Transferee Company wherever it occurs in its Memorandum and Articles of Association be substituted by the new name i.e. HINDOOSTAN LIMITED.

c) It is further clarified that the Transferee Company shall not be required to pass any resolution under Sections 21 and other applicable provisions, if any of the Act, for Change of name of the Transferee Company, as envisaged in sub clause (a) of clause 7.2 of this Scheme and that the members of the Transferee Company shall be deemed to have accorded their consent under various provisions of the Act and Rules made there under to the change of name in terms of this Scheme.

7.3 AMENDMENT OF MEMORANDUM OF ASSOCIATION – CHANGE IN OBJECT CLAUSE.

For the avoidance of doubts, with effect from the Appointed date, to enable the Transferee company to carry on the business of the Transferor company, the Memorandum of Association of the Transferee Company shall stand altered and amended by insertion of the following new clauses after the existing clause v of 3 of its Memorandum of Association.

"(w) To buy, in any part of India or elsewhere, for the purpose of manufacture raw cotton, silk, wool, jute, hemp and other fibres and all materials and things useful or necessary for dyeing, bleaching and printing purposes, to spin, weave, manufacture, dye, bleach and print and otherwise utilise the same and to sell in any part of India or elsewhere for cash or on credit, or to contract for the sale and future delivery of, or to send for sale in any part of India or elsewhere the yarn, cloth and other commodities so manufactured or prepared, as the Directors may deem advisable.

(x) To carry on all or any of the businesses in any part of India or elsewhere, namely, the business of silk and cotton spinners, weavers and doublers, flax, hemp and jute spinners, linen, manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers, ginners and pressers, and makers of vitriol, bleaching. and dyeing materials, and to purchase, comb, prepare, spin, dye and deal in cotton, flax, hemp, jute, wool, cotton, silk and other fibrous substances and products, and to weave or otherwise manufacture, buy, sell and deal in, raw cotton, yarn, silk, wool, jute, flax, hemp and other fibrous substances and products, and in linen, cloth, and other goods, fabrics and materials, and to gin and press cotton, and to employ Agents, sub-agents, Brokers and Dealers for any of the purposes of the Company.

(y) To manufacture, buy, sell, refill, repair, convert, adopt, alter, improve, demolish, let on hire and deal in cotton bowls, jute bowls, paper bowls, steel and all descriptions of machinery, equipment and apparatuses for textile and paper-manufacturing industries and for industries which are connected with or ancillary thereto.

(z) To carry on the business of manufacturers and dealers in all kinds of cotton bowls, jute bowls, paper bowls, steel rolls, other bowls and machinery, equipment and apparatuses, implements and articles of all kinds required in the business of manufacturing any of the above articles.

(z1) To carry on, in any part of the World, the business of Spinner, weaver, trading, processing, converting, glass weaving, technical weaving, conversion process, moulding, resin-infusion, cutting, manufactures, ginners, pressers, packer, and bales and cottons, jute, hemp, silk, wool, and other fibrous material, and the cultivation thereof, and the business of weaving or otherwise manufacturing, bleaching, dyeing, printing and selling yarn, cloth, linen, and other goods and fabrics whether textiles, fabrics, netted or looped and of buying, goods or merchandise made thereof and generally to carry on the business of cotton spinners and doublers, linen manufacturers, cotton, flax, hemp, jute, silk, wool, yarn and cloth merchants, bleacher & dyers, makers of vitriol, bleaching and dyeing material, and to transact all manufacturing or curing and preparing processes and mercantile business that may be necessary or expedient , and to purchase and vend raw material and manufactured articles.

(z2) To carry on the business of engineers, iron-founders, mechanical engineers manufacturers of implements and machinery of all kinds, tool-makers, brass-founders, metalworkers, electrical engineers, boiler-makers, millwrights, mechanists, iron and steel founders, smiths, wood-workers bleachers, painters, metallurgists, welders, electrical engineers, water-supply engineers and gas workers power generators and to carry out all processes of manufacture.

(z3) To build, construct, alter, acquire, convert, improve, design, erect, establish, equip, purchase, invest in, develop, dismantle, pull down, remove or replace, tum to account, enlarge, fumish, level, decorate, furbish, fabricate, install, finish, repair, maintain, search, survey, examine, test, inspect, locate, relocate, modify, own, operate, protect, promote, provide, participate, reconstruct, drill, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist, maintain, manage, buy, sell, lease, convey, let on hire, commercialese, handle, control, and to act as builders, civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, subcontractor, turnkey contractor and manager of and dealers in all type of properties, real estate, buildings and structures including houses, flats, apartments, buildings, bungalows, cottages, rooms, suites, housing complexes and projects, commercial complexes, offices, garages, godowns, warehouses, shops, show-rooms, factories, sheds, schools, colleges, hospitals, hotels, holiday resorts, clubs, restaurants, baths, places of worship, places of amusement, parks, gardens and other works and conveniences, theatres, shopping cum residential complexes, economic zones, industrial parks, roadways, tramways, railways, branches or siding, bridges, flyovers, reservoirs, specialized foundations including pile foundations, exploratory borings, watercourses, culverts, dams, jetties, berths, harbours, dry docks, marine structures, sea wells landings, canals, drainage, water distribution and filtration systems, docks, harbours, piers, irrigation works, foundation works, airports, runways, rock drillings, acqaducts, stadiums, hydraulic units, telephone works, wharves, gas works, electric works, water works, buildings and erections of every description and to act as traders, dealers, merchants, agents, sub-contractors, brokers, factors, adatias, delcredere agents, buyer, seller, importer, exporter, distributor, stockiest of or otherwise to deal in all types of building materials, raw materials, goods, fittings, parts, accessories, know-how, consumables, plant and machineries, equipments, tools and tackles, articles and facilities.

(z4) To carry on the business of generation, developing, transmitting, trading, accumulation, distribution and supply of and to generally deal in all forms of electrical power/energy including dealing in all aspects of Wind power, Thermal, Hydro, Nuclear, Solar, Tidal, Bio mass and power generated through any Conventional/Non-conventional/Renewable Energy sources including construction, generation, operation & maintenance, renovation & modernization of Power Stations and Power Projects and also to undertake the business of other allied/ancillary industries including those for utilization/sale/supply of steam and ash generated at power stations and other by-products and deal-in, supply, install, operate, and manage all necessary plants, items of equipment, cables, wires, lines, establishments and other works related to Energy/Power and other forms of Energy/Power services like Project Management, Project Advisory services, including Supply of Coal, Fuel Oil, gas based captive power and to carry on in India or out of India the business of power, minerals and fuels of all kind, to establish, operate and maintain power generation stations and plants, accumulation, tie-lines, sub-stations, workshops, transmission lines, to establish and develop power projects and other infrastructure projects to promote industrial, commercial activity for inland and foreign trade, and to do government liaison work and other work."

In order to carry on the activities currently being carried on by the Transferor Company, upon the approval of the Scheme by the Members of the Transferor Company and the Members of the Transferee company pursuant to Section 391 of the Act, it shall be deemed that the Members of the Transferee Company have also resolved and accorded all relevant consents under Section 149 (2A) of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by the Transferor company in relation to any of the objects contained in the Memorandum of Association of the Transferee Company to the extent the same may be considered applicable.

It is further clarified that the Transferee Company shall not be required to pass any resolution under Sections 17, 149(2A), 192A and other applicable provisions, if any of the Act, for Change in Object clause of the Transferee Company, as envisaged in clause 7.3 of this Scheme and that the members of the Transferee Company shall be deemed to have accorded their consent under various provisions of the Act and Rules (including Postal Ballot Rules) made there under to the change in object clause in terms of this Scheme.

7.4 <u>WINDING UP</u>

On this Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

7.5 <u>APPLICATION TO THE HIGH COURT</u>

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the High Court under whose jurisdiction the registered offices of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act and for dissolution of the Transferor Company without being wound up.

7.6 MODIFICATIONS/ AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the Court and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.

For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Transferee Company and the Transferor Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

7.7 CONDITIONALITY OF THE SCHEME

The Scheme is and shall be conditional upon and subject to:

(i) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company.

(ii) The requisite resolutions under the applicable provisions of the said Act being passed by shareholders of the Transferor Company / Transferee Company for any of the matters provided for or relating to the Scheme as may be necessary or desirable.

(iii) The sanction of the High Court under Sections 391 to 394 of the said Act in favour of the Transferor Company and the Transferee Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.

(iv) Certified or authenticated copies of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Company, Maharashtra, at Mumbai by Transferor Company and the Transferee Company.

7.8 EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority by 30th September, 2011 or within such further period or periods as may be agreed upon between the Transferor Company and Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and will be null and void, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall equally bear and pay costs, charges and expenses for and / or in connection with the Scheme.

7.9 COST, CHARGES AND EXPENSES

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company alone.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 95 OF 2011 (H)

CONNECTED WITH

COMPANY SCHEME PETITION NO. 96 OF 2011

In the matter of Petition under Sections 391 to 394 of the Companies Act, 1956

AND

In the matter of SCHEME OF AMALGAMATION BETWEEN THE HINDOOSTAN SPINNING AND WEAVING MILLS LIMITED

... Transferor Company

AND

THE SIRDAR CARBONIC GAS COMPANY LIMITED ...Transferee Company

THE SIRDAR CARBONIC GAS COMPANY LIMITED ... Petitioner/Transferee Company

<u>Authenticated Copy of the Order dated 1st April 2011along with Authenticated Scheme of Amalgamation as sanctioned by the Hon'ble Court.</u>

[illegible] on 07-4-2011

[illegible] on 13-4-2011

[illegible] Writer ....

[illegible] ....

[illegible] by D.G.M[illegible]

Compared with ...[illegible]

Ready on 02-05-2011

[illegible] on 03-05-2011

M/s. Thakore Jariwala & Associates,
Advocates for the Petitioners,
111-114, Vardhaman Chambers,
17-G, Cawasji Patel Street,
Fort, Mumbai - 400023

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 538 OF 2014
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 555 OF 2014

In the matter of the Companies Act, 1956

AND

In the matter of petition under Sections 391 to 394 of the Companies Act, 1956

AND

In the matter of Hindoostan Technical Fabrics Limited, a company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of Scheme of Amalgamation

OF

Hindoostan Technical Fabrics Limited

WITH

Hindoostan Mills Limited

AND

Their respective shareholders and creditors

Hindoostan Technical Fabrics Limited a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Sir Vithaldas Chambers, 3rd Floor, 16, Mumbai Samachar Marg, Mumbai-400001 ...Petitioner / Transferor Company

CALLED FOR HEARING

Mr. NaserAli Rizvi i/b Thakore Jariwala & Associates, Advocates for Petitioner.

Mr. P.S. Gujar i/b. Mr. H. P. Chaturvedi for Regional Director in the Petition.

Mr. S. Ramakantha, Official Liquidator, present.

Coram: S. J. Kathawalla, J

DATE: 10th October, 2014

MINUTES OF ORDER

1. Heard learned counsel for the parties. No objector has come before the court to oppose the Scheme and nor any party has contravened any averments made in the Petition.

2. The sanction of the Court is sought to the Scheme of Amalgamation of Hindoostan Technical Fabrics Limited with Hindoostan Mills Limited, and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956.

3. Learned Counsel for the Petitioner Company states that the Transferor Company is engaged in the business of manufacturing the highest quality composite woven fabrics from Carbon Fiber and Para Aramide in India and the Transferee Company is mainly engaged in the business of textile manufacturing revolve around open end spinning of cotton yarns and weaving of cotton and cotton blended products comprising cotton woven, synthetic blended fabrics and cotton yarn in its textiles manufacturing division and cotton rolls, wool paper rolls etc. The proposed scheme would enable the Transferee Company to obtain advantages of economies of large scale and will result in formation of a larger company which would result in

maximizing overall shareholder value. The Transferor Company and the Transferee Company being companies within the same group of Companies, would strengthen and consolidate the position of the Transferee Company. The Scheme would result in benefits from economies of scale of operations and increased market share. The proposed scheme will result in reduction of overheads and other expenses, reduction in administrative and procedural work, eliminate duplication of work, transaction cost, better and more productive utilization of various resources and will enable the undertakings concerned to effect internal economies and optimize productivity and enable the companies to pool in their financial, managerial, technical and other resources and use the financial, managerial, technical and marketing and distribution expertise of each other.

4. The learned counsel appearing on behalf of the Petitioner Company submits that by an order passed by this court on 11th July, 2014 in Company Summons for Direction No. 555 of 2014, the filing of a separate Company Summons for Direction and Company Scheme Petition in relation to the proposed Scheme by Hindoostan Mills Limited, the Transferee Company has been dispensed with as the Transferor Company is wholly owned subsidiary of the Transferee Company and no new shares will be issued and that there will be no change in the capital structure of the Transferee company and that the scheme will not adversely affect the rights of members or creditors of the Transferee Company and in view of the judgment of this court in Mahaamba Investment Limited v/s IDI Limited (2001) Company Cases 105.

5. The Petitioner/Transferor Company and the Transferee Company has approved the Scheme of Amalgamation by passing Board Resolutions which are annexed to the Company Scheme Petition.

6. The learned Counsel for the Petitioner further states that, Petitioner Company has complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with the orders passed in Company Summons for Direction and seeks sanction to the said proposed Scheme of Amalgamation.

7. The learned counsel appearing on behalf of the Petitioner has stated that the Transferor Company has complied with all requirements as per directions of this Court and it has filed necessary Affidavits of compliance in the Court. Moreover, Petitioner Company undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and the Rules made there under, whichever is applicable. The said undertaking is accepted.

8. The Official Liquidator has filed his report on 25th day of September, 2014 stating therein that the Affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.

9. The Regional Director has filed an Affidavit on 7th day of October, 2014 stating therein, save and except as stated in paragraph 6, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said Affidavit, it is stated as under:

"6. That the deponent further submits that,

(a) Clause 15.4 of the Scheme provides for accounting adjustment. In this regard, it is submitted that in addition to compliance of AS 14, Transferee Company shall pass such accounting entries as may be necessary in connection with the scheme to comply with other applicable accounting standards such as AS -5 etc.

(b) That the Deponent further submits that the Tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the Scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Petitioner company after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the petitioner Company.

10. So far as the observation in paragraph 6(a) of the Affidavit of Regional Director is concerned, the Petitioner Company through its Advocate undertakes that Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with any other applicable Accounting Standards.

11. So far as the observation in paragraph 6(b) of the Affidavit of Regional Director is concerned, the Petitioner Company and Transferee Company shall be bound to comply with all applicable provision of Income Tax Act, and all tax issues arising out of Scheme will be met and answered in accordance with law.

12. The Learned Counsel for Regional Director on instructions of Mr. M. Chandana Muthu, Joint Director Legal in the office of the Regional Director,

Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertaking given by the Advocate for the Petitioner Company. The Undertaking given by the Petitioner Company is accepted.

13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

14. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 538 of 2014 is made absolute in terms of prayer clauses (a) to (h) and (k).

15. The Transferee Company to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the order.

16. The Petitioner Company and Transferee Company are directed to file a copy of this Order along with a copy of the scheme with the concerned Registrar of Companies, electronically along with E-Form 21, or INC 28 in addition to the physical copy as per relevant provision of the Companies Act, 1956 / 2013 whichever is applicable.

17. The Petitioner /Transferor Company to pay costs of Rs. 10,000/- to the Regional Director, Western Region, Mumbai, and the Petitioner / Transferor Company to pay cost of Rs. 10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.

18. Filing and issuance of the drawn up order is dispensed with.

19. All concerned authorities to act on a copy of this order along with Scheme of Amalgamation duly authenticated by the Company Registrar, High Court (O.S.), Bombay.

(S. J. Kathawalla, J)

TRUE-COPY
17/10/2014
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY
16.10.2014
Section Officer
High Court, Appellate Side
Bombay

SCHEME OF AMALGAMATION

OF

HINDOOSTAN TECHNICAL FABRICS LIMITED

WITH

HINDOOSTAN MILLS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 391 To 394 OF THE COMPANIES ACT, 1956

This Scheme of Amalgamation provides for the amalgamation of **HINDOOSTAN TECHNICAL FABRICS LIMITED** with **HINDOOSTAN MILLS LIMITED** pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

1 RATIONALE FOR THE SCHEME

This Scheme of Amalgamation of Hindoostan Technical Fabrics Limited with Hindoostan Mills Limited is presented by Hindoostan Mills Limited and the business of Hindoostan Technical Fabrics Limited can be conveniently combined with Hindoostan Mills Limited.

Further, Hindoostan Mills Limited (HML) is engaged in the business of textile manufacturing revolve around open end spinning of cotton yarns and weaving of cotton and cotton blended products comprising cotton woven, synthetic blended fabrics and cotton yarn in its textiles manufacturing division and cotton rolls, wool paper rolls, flax paper rolls, Laxmi Helextra Squeezing Rolls etc., in its calendar bowl manufacturing division whereas, Hindoostan Technical Fabrics Limited (HTFL) is in the business of manufacturing the highest quality composite woven fabrics from Carbon Fiber and Para Aramide in India. Its products include Balanced, Uni-directional and other customized fabrics in a variety of widths, areal weights, styles and fiber combinations. The amalgamation will result into operational synergies, increase in the profitability and reduction in the administrative cost which will benefit shareholders, creditors and all concerned parties. The amalgamation of the Transferor Company as defined herein below with the Transferee Company would *inter alia* have the following benefits:

1.1 The proposed scheme will result in formation of a larger company which would result in maximizing overall shareholder value.

1.2 The Transferor Company and the Transferee Company are companies within the same group of Companies. The proposed Scheme would strengthen and consolidate the position of the Transferee Company, greater flexibility to market and meet customer needs and will be able to compete more effectively, thus further strengthening its market position and to develop and concentrate on the core competency of the promoters in textile and manufacturing activities.

1.3 HML and HTFL both are carrying on the business which is complimentary to each other. With a view to take advantage of consolidation in current competitive environment, which would result in benefits from economies of scale of operations and increased market share, it is proposed to consolidate operations and amalgamate HTFL with HML.

1.4 The existence of independent companies at times result in duplication of efforts and the integration and combination of such businesses will lead to greater and optimal utilization of resources. The amalgamation would, therefore, enable the Transferee

Company to increase operations and confer a competitive advantage on the entire business. With integrated processes, the Transferee Company can achieve higher scales of operation.

1.5 The proposed scheme will result in reduction of overheads and other expenses, reduction in administrative and procedural work, eliminate duplication of work, transaction cost, better and more productive utilization of various resources and will enable the undertakings concerned to effect internal economies and optimize productivity.

1.6 The proposed scheme will contribute in furthering and fulfilling the objects of the companies concerned and enabling the optimum growth and development of their combined businesses.

1.7 The amalgamation will enable the companies to pool in their financial, managerial, technical and other resources and use the financial, managerial, technical and marketing and distribution expertise of each other.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed, vide resolutions dated 18th March, 2014, the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the Transferor Company and the Transferee Company. Accordingly, the Board of Directors of both the Companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Act.

2 DEFINITIONS:

In this Scheme, unless repugnant to the context, the following expressions shall have the meanings respectively set out before them:

i. **"Act"** means the Companies Act, 1956 and shall include any statutory modification(s), re-enactment or amendment(s) thereof.

ii. **"Act 2013"** means the Companies Act, 2013 and shall include any statutory modification(s), re-enactment or amendment(s) thereof.

iii. "**Amalgamation**" means the amalgamation as specified under Section 2(1B) of the Income-Tax Act, 1961.

iv. **"Appropriate Authority"** means any governmental, statutory, regulatory, departmental or public body or authority, including Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed, Registrar of Companies, Regional Director, The Official Liquidator, National Company Law Tribunal and Courts of Relevant Jurisdiction.

v. **"The Appointed Date"** means opening business hours of 1st April, 2013 or such other date as may be directed or imposed by the High Court or such other competent authority, as may be applicable.

vi. **"Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective"** means the last date on which all necessary orders, consents, sanctions, approvals, as the case may be, required under the law or otherwise, to be passed or obtained are so passed or obtained and necessary certified copies of the orders of the Hon'ble High Court and / or National

Company Law Tribunal under section 391 to 394 of the Act are filed with the Registrar of Companies, Mumbai, Maharashtra.

vii. **"High Court"** means the Hon'ble High Court of Judicature at Bombay or such other succeeding authority (ies) as may be constituted under law.

viii. **"HML" or "the Transferee Company"** means Hindoostan Mills Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at "Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Mumbai – 400 001".

ix. **"HTFL" or "the Transferor Company"** means Hindoostan Technical Fabrics Limited, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at "Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Mumbai – 400 001".

x. **"The Undertaking"** shall mean and include the entire business and undertaking of the Transferor Company as a going concern and shall include (without limitation):

a. All the assets and properties of the Transferor Company (hereinafter referred to as "the said assets");

b. All the debts, liabilities, duties and obligations of the Transferor Company including contingent liabilities (hereinafter referred to as "the said liabilities");

c. all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions including the right to deduction under Section 72A and any other exemptions as available under the Income Tax Act, 1961 (or any statutory modification or re-enactment thereof for the time being in force) in respect of the carried forward and set off of losses of the undertaking, all other rights including sales tax deferrals and exemptions and other benefits, receivables and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts, customer contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

d. Without prejudice to the generality of sub-clause (a) above, the Undertaking of the Transferor Company shall include the movable and immovable properties including building, plant and machinery, including equipments, furniture, fixtures, vehicles, leasehold assets, computer software, computer hardware and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts/customer contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, permits, authorisations, trade marks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, unutilized deposits or credits, brought forward accumulated tax losses, unabsorbed depreciation, etc, benefits under the VAT/Sales Tax Act, VAT/sales tax set off, unutilized deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company.

xi. "**Scheme**" means this Scheme of Amalgamation of the Transferor Company with the Transferee Company in its present form or with any modification(s) approved or directed by the Hon'ble High Court of Judicature at Bombay.

xii. "**Subsidiary**" means a subsidiary of Hindoostan Mills Limited under Section 2(87) of the Act 2013.

3 OPERATIVE DATE:

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High

Court shall take effect from the Appointed Date but shall be operative from the Effective Date.

4 BACKGROUND:

4.1 **Hindoostan Mills Limited**, the Transferee Company was incorporated under the Indian Companies Act, 1882, under the name and style of "The Sirdar Carbonic Gas Company Limited" and obtained a Certificate of Incorporation No. 195 dated 12th May, 1904 from the office of Registrar of Companies, Mumbai, Maharashtra. The name of the company has been changed to its existing name i.e. "Hindoostan Mills Limited" pursuant to the Scheme of Amalgamation of The Hindoostan Spinning and Weaving Mills Limited with The Sirdar Carbonic Gas Company Limited sanctioned by the Hon'ble High Court, Bombay on 01st April, 2011 and obtained a fresh certificate of incorporation consequent upon change of name dated 24th Day of May, 2011 from the Registrar of Companies, Mumbai, Maharashtra.

The Transferee Company is a listed Company and its shares are listed on the BSE Limited (BSE).

4.2 The Authorized, Issued, subscribed and Paid up Share Capital of HML as on 31st March, 2013 and as on date is as under:

Authorized Share Capital :	**Amount(Rs.)**
2,27,67,500 Equity Shares of Rs.10/- each	22,76,75,000
2500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- each	25000
7,80,000 15% Non convertible Redeemable Non cumulative Preference Shares of 10/- each	78,00,000

1,00,00,000 Preference Shares of Rs.10/- each	10,00,00,000
TOTAL	**33,55,00,000**
Issued, Subscribed and Paid Up Capital:	
16,64,548 Equity Shares of Rs.10/- each *[Out of the above: 9,58,708 Equity Shares of Rs.10/- each were allotted as fully paid to the shareholders of the erstwhile The Hindoostan Spinning And Weaving Mills Limited pursuant to the Scheme of Amalgamation approved by the High Court, Bombay on 01st April, 2011]*	1,66,45,480
TOTAL	**1,66,45,480**

4.3 **Hindoostan Technical Fabrics Limited,** The Transferor Company was originally incorporated on 8th day of July, 2010 in Mumbai under the name and style of "Hindoostan Technical Fabrics Limited". The Company has obtained a certificate for commencement of business from the Registrar of Companies, Mumbai, Maharashtra, vide its certificate dated 30th September, 2010.

4.4 The Authorized, Issued and Subscribed Paid up Share Capital of HTFL as on 31st March, 2013 is as under:

Authorised Share Capital	**Amount(Rs.)**
5,00,000 Equity Shares of Rs.10/- each	50,00,000
TOTAL	**50,00,000**
Issued, Subscribed & Paid-up Share Capital	
50,000 Equity Shares of Rs.10/- each	5,00,000
TOTAL	**5,00,000**

Notes:-

4.4.1 The shareholders, pursuant to the provisions of Sections 16, 94 and other applicable provisions if any of the Companies Act, 1956 have passed a resolution on 12th July, 2013 for increasing its Authorized Share Capital from Rs. 50 lacs to Rs. 5 crores.

4.4.2 The Board of Directors at their meeting held on 21st October, 2013 have allotted 29,50,000 Equity Shares of Rs.10/- each aggregating to Rs. 295 lacs to Hindoostan Mills Limited, the Transferee Company.

4.4.3 Accordingly the present Authorized, Issued, Subscribed and Paid up Capital of HTFL is as under:

Authorised Capital	**Amount(Rs.)**
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000
TOTAL	**5,00,00,000**
Issued, Subscribed and Paid Up Capital	
30,00,000 Equity Shares of Rs.10/- each fully paid up	3,00,00,000
TOTAL	**3,00,00,000**

4.5 The entire paid-up Equity Share Capital of the Transferor Company is held by the Transferee Company and its nominee(s) and therefore the Transferor Company is wholly owned subsidiary of the Transferee Company.

5 VESTING OF AN UNDERTAKING:

5.1 Upon the coming into effect of the Scheme, the Undertaking of the Transferor Company shall without any further act, instrument or deed be merged and transferred to and vested in or be deemed to have been transferred to and vested as a going concern in the

Transferee Company pursuant to the applicable provisions of the Act on and from the Appointed Date.

5.2 Notwithstanding what is stated in clause (5.1) above, it is expressly provided that such of the estates and assets forming part of the Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery of the same shall be so transferred by the Transferor Company to the Transferee Company without any further act or execution of an instrument as on the Appointed Date.

5.3 In respect of the rights, titles, and interest including benefits, entitlements, provisions, concessions, remissions, accretions and appurtenances of the Transferor Company prior to the Appointed Date and/ or thereafter up to the Effective Date, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, payment or by endorsement and delivery, shall be so transferred, without any further act or execution of an instrument by the Transferor Company, and shall become the property as an integral part of the Transferee Company.

5.4 The Transferee Company may, at any time after the coming into effect of the Scheme in accordance with the provision thereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of Unsecured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company are parties or any writings that may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company, shall under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the

Transferor Company and to implement or carry out all such formalities or compliance referred to above, or part of the Transferor Company to be carried out or performed.

5.5 All assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Transferee Company.

6 TRANSFER OF LIABILITY

6.1 On and from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also be and stand transferred to and be deemed to stand transferred to the Transferee Company without any further act, instrument or deed under the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company. To the extent that there are any loans, outstanding or balances due from the Transferor Company to the Transferee Company or vice versa, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company.

6.2 The transfer and vesting shall be subject to the existing charges and mortgages/encumbrances, if any, over or in respect of any of the assets or any part thereof created by the Transferor Company. Provided, however, that such charges/mortgages/encumbrances shall be confined only to the relative assets or part thereof as encumbered by the Transferor Company and transferred to and vested in the Transferee Company on and from the Appointed Date and no such charges / mortgages / encumbrances shall extend over or apply to any other asset(s) or property (ies) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets or property(ies) of the Transferor Company shall be so construed to the end and intent that such security, shall not extend or be deemed to extend to any of the other asset(s) or property(ies) of the Transferee Company.

7 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

7.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, benefits /obligations under different statutes, schemes, arrangements, performances and other instruments of whatsoever nature in relation to which the Transferor Company is a party or to the benefits of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall without any further act on part of the Transferor Company or the Transferee Company be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

7.2 Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Transferor Company with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at its own costs at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above but shall not be required to incur any cost in this behalf. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

8 TREATMENT OF EMPLOYEES

8.1 Employees, if any, of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, become the employees of the Transferee Company.

8.2 On the Scheme finally taking effect as hereinafter provided:
The employees of the Transferor Company, if any, shall become the employees of the Transferee Company, without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of all employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account;

8.3 The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company;

8.4 It is provided that as far as the Provident Fund and / or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

9 LEGAL PROCEEDINGS

If any suit, appeal or other legal proceedings of whatever nature are pending by or against the Transferor Company, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

10 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

10.1 With effect from the Appointed Date and upto and including the Effective Date:

10.1.1 The Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

10.1.2 The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of the Transferee Company, sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof except in the ordinary course of business nor shall it undertake any new business or substantially expand its existing business.

10.1.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

10.1.4 The Transferor Company shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, which may in any way affect the share exchange ratio prescribed hereunder, except by and with the consent of the Board of Directors of the Transferee Company.

10.1.5 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

11 PERMITS, CONSENTS AND LICENSES

For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses including income tax benefits and exemptions as provided in the Income Tax Act, 1961, certificates, clearances from various authorities including MIDC, power of attorneys (including for the operation of bank accounts), all in respect of the Transferor Company shall stand transferred to the extent they are capable of being transferred under the Applicable Laws to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the rights and benefits under the same shall be available to the Transferee Company.

12 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets and/or the continuance of proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto.

13 DECLARATION OF DIVIDENDS

13.1 The Transferor Company shall not after the Appointed Date declare dividend without the prior written consent of the Transferee Company.

13.2 The holders of the shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the constitutive documents of the respective Company including right to receive dividends from the respective company of which they are members till the date this Scheme finally takes effect i.e. the Effective Date.

13.3 It is clarified, however, that the provisions herein in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company or Transferee Company to demand or claim or be entitled to any dividend, which subject to the provisions of the said Act, shall be entirely in the discretion of their respective Board of Directors and, if required, the approval of the shareholders of the respective companies.

14 CONSIDERATION

14.1 Upon the Scheme becoming effective shares held by the Transferee Company or its nominee in the Transferor Company shall be cancelled and extinguished.

14.2 Since the entire Equity Share Capital of the Transferor Company is held by the Transferee Company, there will be no issue and allotment of Equity Shares of Transferee Company to the Shareholders of the Transferor Company, upon the scheme becoming effective.

15 ACCOUNTING TREATMENT

Upon the Scheme being sanctioned by the High Court and transfer taking place as stipulated herein above:-

15.1 All the assets and liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book values as appearing in the books of the Transferor Company as per "Pooling of Interest Method" prescribed under Accounting Standard – 14 issued by the Institute of Chartered Accountants of India.

15.2 An amount equal to the balance lying to the debit of "Profit & Loss Account" in the Books of Account of the Transferor Company shall be debited by the Transferee Company to its "Profit & Loss Account". The identity of the reserve will be preserved.

15.3 Difference between the amount recorded as investment in Transferor Company in the books of Transferee Company and the amount of share capital of Transferor Company shall be adjusted against the General Reserve of the Transferee Company.

15.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

15.5 The Transferor Company is a wholly owned subsidiary of the Transferee Company, thus pursuant to the Scheme no new shares shall be issued after the Scheme is sanctioned by the Hon'ble High Court at Bombay.

15.6 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

15.7 The shares held by the Transferee Co in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

16. CONSOLIDATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY:

16.1 Upon sanction of this Scheme, the Authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the Authorised share capital of Transferor Company amounting to Rs. 5,00,00,000/- (Rupees Five Crores Only) comprising of 50,00,000 equity shares of Rs.10/- (Rupees Ten) each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 394 and applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.

16.2 In consequence of the increase/consolidation of the Authorised Share Capital, as mentioned above, the clause of share capital in Memorandum of Association of transferee company shall be as under:

"The Share Capital of the Company is Rs. 38,55,00,000/- (Rupees Thirty Eight Crores Fifty Five Lacs only) divided into 2,77,67,500 Equity Shares of Rs.10/- (Rupees Ten) each, 2,500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- (Rupees Ten) each, 7,80,000 15% Non-Convertible Redeemable Non-Cumulative Preference Shares of Rs.10/- (Rupees Ten) each and 1,00,00,000 Preference Shares of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital of the company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential. Deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify of abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the company and the Legislative provisions for the time being in force."

16.3 Consequent upon the amalgamation, the Authorised, Issued, Subscribed and paid-up share capital of the Transferee Company will be as under:

Authorised Share Capital	**(Amount in Rs.)**
2,77,67,500 Equity Shares of Rs.10/- each	27,76,75,000
2500 5% Redeemable Cumulative "A" Preference Shares of Rs.10/- each	25,000
7,80,000 15% Non convertible Redeemable Non cumulative Preference Shares of 10/- each	78,00,000
1,00,00,000 Preference Shares of Rs.10/- each	10,00,00,000
TOTAL	**38,55,00,000**
16,64,548 Equity Shares of Rs.10/- each *[Out of the above: 9,58,708 Equity Shares of Rs.10/- each were allotted as fully paid to the shareholders of the erstwhile The Hindoostan Spinning And Weaving Mills Limited pursuant to the Scheme of Amalgamation approved by the High Court, Bombay on 01st April, 2011]*	1,66,45,480
TOTAL	**1,66,45,480**

It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Transferee Co pany as may be required under the Act.

17. WINDING UP OF THE TRANSFEROR COMPANY

On the Scheme becoming effective the Transferor Company shall be dissolved without being wound up.

18. MODIFICATION / AMENDMENT TO THE SCHEME

18.1 The Transferor Company and the Transferee Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the Court and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.

18.2 However no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the Court and the same shall be subject to powers of the court under Section 392 of the Act.

18.3 For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Transferee Company and the Transferor Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

18.4 The Transferor Company and Transferee Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

19. APPLICATION TO HIGH COURT:

The Transferor Company and Transferee Company shall make necessary applications / petitions before the High Court and / or National Company Law Tribunal for obtaining the Court / tribunal sanction to this Scheme and for the consequent dissolution without winding up of the Transferor Company.

20. CONDITIONS

The Scheme is conditional upon and subject to the following:

20.1 The requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

20.2 The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the Hon'ble High Court and/or any other competent authority and it being sanctioned by the Hon'ble High Court and / or any other competent authority, as may be applicable.

20.3 All other sanctions and approvals as may be required by law including registration of the order of the Bombay High Court / Tribunal sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.

20.4 Certified copies of the orders of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies.

21. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS:

In the event of any of the approvals or sanctions enumerated in this Scheme not being obtained or conditions not being complied or for any other reason, this Scheme cannot be implemented then the Board of Directors of the Transferee and Transferor Company shall mutually waive such conditions as they considered appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court or does not otherwise become effective by 31st March, 2015 or within such further period or periods as may be agreed upon between the Transferor and the Transferee Companies through their respective Board of Directors, then the Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by either of the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other persons save and except in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own cost unless otherwise mutually agreed.

22. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by the Transferee Company.

TRUE COPY
For THAKORE JARIWALA & ASSOCIATES

TRUE-COPY
17/10/2014
Mrs. K. M. HANE
DEPUTY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT

BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 538 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION
NO. 555 OF 2014

In the matter of the Companies Act, 1956
AND
In the matter of petition under Sections 391 to 394 of the Companies Act, 1956
AND
In the matter of Hindoostan Technical Fabrics Limited, a company incorporated under the provisions of the Companies Act, 1956
AND
In the matter of Scheme of Amalgamation
OF
Hindoostan Technical Fabrics Limited
WITH
Hindoostan Mills Limited
AND
Their respective shareholders and creditors

Hindoostan Technical Fabrics Limited
...Petitioner / Transferor Company

AUTHENTICATED COPY OF THE MINUTES OF THE ORDER DATED 10.10.2014 ALONG WITH AUTHENTICATED SCHEME AS SANCTIONED BY THE HON'BLE COURT

M/s. Thakore Jariwala & Associates
Advocates for the Petitioner,
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94, Nagindas Master Road,
Fort, Mumbai 400 023.
6112 5000/ 01/02
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Advocate Code 173

A B S T R A C T

OF THE

ARTICLES OF ASSOCIATION

OF

HINDOOSTAN MILLS LIMITED

CONSTITUTION OF THE COMPANY

CERTIFICATES

CALLS

FORFEITURE AND LIEN

TRANSFER AND TRANSMISSION

INCREASE AND REDUCTION OF CAPITAL

VOTES OF MEMBERS

DIRECTORS

ROTATION OF DIRECTORS

PROCEEDINGS OF DIRECTORS

MINUTES

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MANAGEMENT OF BUSINESS

NOTICES

WINDING-UP

INDEMNITY

SECRECY

ARTICLES OF ASSOCIATION

OF

HINDOOSTAN MILLS LIMITED

PRELIMINARY

1. The marginal notes hereto shall not affect the construction hereof. In these presents, unless there be something in the subject or context inconsistent there with : -

"The office" means the registered office for the time being of the Company.

"The Act means the Indian Companies Act 1913 as amended by the Indian Companies (Amendment) Act 1936.

"The Register" means the register of members to be kept pursuant to Section 31 of the Act.

"Dividend" includes bonus.

"Month" means Calendar month.

"In writing" and "written" include printing, lithography, and other modes of representing or reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

2. The regulations contained in Table A in the first schedule to the Act, shall not apply to the Company.

3. None of the funds of the Company shall be employed in the purchase of shares of the Company nor in making any loan for the purchase of the shares of the Company nor unless the purchase has been previously approved by a unanimous decision of the Board of Directors of the Company in the purchase of shares or debentures of any Company under the management of the Managing Agents.

4. Subject as aforesaid, the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions, and at such times, as the directors think fit, and with full power to give to any person the call of any shares either at par or at a premium, and for such time, and or such consideration as the Directors think fit. With the sanction of a general meeting, shares in the initial, capital may be issued with any preferential rights attached thereto.

5. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any

shares in the Company, but so that if the commission shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with, and the commission shall not exceed five percent on the shares in each case subscribed or to be subscribed. The company may for the purpose of placing any of its shares pay a commission or brokerage to any person it may think fit including in particular any vendor, promoter, director or other officer of the company and no such person shall be under any liability to account to the company its members or creditors for any profits made thereby. Any commission or brokerage becoming payable under the exercise of the powers conferred by this present clause, may be paid in cash or in fully paid shares or partly in one mode and partly in the other as the company may think fit and any director of the company may receive or be otherwise interested in any such commission or brokerage or any commission or brokerage for underwriting or taking up any debentures, debentures-stock or loan.

6. The company may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

7. 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 shall be the registered holder of the share.

8. The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

9. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

10. No member who shall change his name or address, or who, being a female, shall marry or the husband of any such last mentioned member, respectively, shall be entitled to recover any dividend or vote, until notice of the change of the name or addresses, or of marriage, be given to the Company, in order that the same be registered.

CERTIFICATES

11. The certificates of the title to shares shall be issued under the seal of the company, and signed by the director and counter-signed by the Agents or some other person appointed by the directors. Subject to the provisions of Section 108 of the Act, the Company shall have twelve months' time from the date of allotment to complete and have ready for delivery the certificates of shares.

12. Every member shall be entitled to one certificate for all the shares registered in his name. 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 up thereon. For any further certificate the directors shall be entitled but shall not be bound to prescribe a charge not exceeding one rupee.

13. If any certificate be worn out, defaced, destroyed or lost or if there is no further space on the back thereof for endorsement of transfer, it may be renewed or replaced on payment of such sum not exceeding one rupee as the Directors may from time to time

prescribe. Provided, however that such a new certificate shall not be granted except upon delivery-up of the worn-out or defaced or used-up certificate for the purpose of cancellation or upon proof of destruction or loss to the satisfaction of the directors and on such indemnity as the directors deem adequate in the case of the certificate having been destroyed or lost. Any renewed certificate may be marked as such.

14. The certificate of shares registered in the names of the two or more persons shall, unless otherwise directed by them, be delivered to the person first named on the register.

CALLS

15. The Directors may, from time to time, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.

16. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.

17. Fourteen day's notice of any call shall be given specifying the time and place of payment, and to whom such call shall be paid.

18. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made, or the instalment shall be due, shall pay interest for the same at the rate of Rupees nine per cent per annum from the day appointed for the payment thereof to the time of the actual payment, or at such other rate as the directors may determine.

19. The provisions of these articles as to payment of interest shall apply in the case of nonpayment of any sum, which by the terms of the issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

20. On the trial hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register as the holder, or one of the holders, of the shares in respect of which shall debts accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these presents; and it shall not be necessary to prove the appointment of the directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

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

22. The Directors may, if they think fit, receive from any member willing to advance the same, and either in money or money's worth all or any part of the capital due upon the shares held by him beyond the sums actually called for; and upon the amount so paid or satisfied 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 as the member paying such sum in advance and the director agree upon.

FORFEITURE AND LIEN

23. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

24. The notice shall name a day and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

25. If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.

26. Any share so forfeited shall be deemed to be the property of the Company and the directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit.

27. The directors may at any time before any shares so forfeited shall have been sold, re-alloted, or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

28. Any member whose shares have been forfeited shall, notwithstanding, be liable to pay, shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at 9 per cent per annum, and the Directors may enforce the payment thereof if they think fit.

29. The Company shall have a first and paramount lien upon all the shares registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for his debts, liabilities, and engagements, solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Clause 9 hereof is to have full effect; and such lien shall extend to all dividends 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.

30. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member, his heirs, executors or administrators, and default shall

have been made by him or them in the payment, fulfillment, or discharge of such debts, liabilities, or engagements for seven days after such notice.

31. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities, or engagements, and the residue (if any) paid to such member, his heirs, executors, administrators, or assigns.

32. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the directors may cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

33. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION

34. The instrument of transfer of any share shall be signed both by the transferor and 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 in respect thereof and it shall not be lawful for the Directors to register a transfer of shares in or debentures of the Company unless the proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company along with the certificate of the shares to be transferred as required by Article 38 hereof. Provided that where it is proved to the satisfaction of the Directors that an instrument of transfer signed by the transferor and transferee has been lost the Directors may on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such term as to indemnity as the Directors may think fit.

35. The instrument of transfer of any share shall be in writing in the following form or as near thereto as circumstances will admit :-

I, A. B., of ………. in consideration of the sum of Rupees ……… paid to me by C. D., of ……….. hereinafter called the said transferee do hereby Transfer to the said transferee ……….. share (or shares, numbered……… in the undertaking called the Hindoostan Mills Limited TO HOLD unto the said transferee, his executors, administrators and assigns, subject to several conditions on which I held the same immediately before the execution hereof; and I the said transferee do hereby agree to take the said share) or shares, subject to the conditions aforesaid. As witness our hands, the day Witness to the signature of & c.

36. The Directors may at any time in their absolute and un-controlled discretion and without assigning any reason decline to register any proposed transfer of shares. This clause shall apply also to a case where the proposed transferee is already a member but if the Directors refuse to register a transfer they shall cause to be sent to the Transferee and Transferor within two months from the date on which the instrument of transfer was lodged with the Company a notice in writing of their refusal.

37. No transfer shall be made to an infant or person of un-sound mind.

38. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred, and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

39. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the directors may decline to register shall be returned to the person depositing the same.

40. No fee shall be charged by the Company for registering a transfer or transmission of shares.

41. The transfer books and register of members may on giving seven days previous notice by advertisement in some paper circulating in Mumbai be closed during such time as the directors think fit, not exceeding in the whole 45 days in each year, but not exceeding 30 days at a time.

42. The executor or administrator of a deceased member (whether a European, Hindu, Mohammedan, Parsee or otherwise) shall be the only person recognized by the Company as having any title to his share, except in cases of joint-holders, in which case the surviving holder or holders or the executor or administrator of the last surviving holder shall be the only person entitled to be so recognized; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Company shall not be bound to recognize such executor or administrator unless he shall have obtained probate or letters of administration or other legal representation, as the case may be, from the duly constituted Court in British India or from any Court or authority authorized by any Act of the Legislative Council of India or by any Order or Notification of the Governor-General in Council to grant such probate or letters of administration Provided nevertheless that in special cases, and in such only, it shall be lawful for the directors dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnify or otherwise as to the directors may deem fit.

43. Any person becoming entitled to shares in consequence of the death or bankruptcy of any member, 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 directors think sufficient, may, with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such share, or may, subject to the regulation as to transfers hereinbefore contained, transfer such shares. This clause is hereinafter referred to as “the transmission clause”.

INCREASE AND REDUCTION OF CAPITAL

44. The Company in General Meeting may, from time to time, increase the capital by creation of new shares of such amount as may be deemed expedient.

45 The new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto 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, and with a special or without any right of voting.

46. Where the Directors decide to increase the capital of the Company by the issue of further shares such shares shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time

within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of an intimation from the member to whom such notice is given, that he declines to accept the share offered, the Directors may dispose of the same in such manner as they may think most beneficial to the Company.

47. 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 ordinary capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting, and otherwise.

48. The Company may, from time to time, by special resolution, reduce its capital by paying off capital or cancelling capital which had been lost or is unrepresented by available assets, or reducing the liability on the shares, or otherwise, as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise; and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the intent that the unpaid and callable capital shall be increased by the like amount.

SUB-DIVISION AND CONSOLIDATION OF SHARES

49. The Company may also by ordinary resolution, in General Meeting sub-divide or, consolidate its shares or any of them.

50. The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or other.

MODIFICATION OF RIGHTS

51. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified commuted, affected, abrogated, or dealt with by a resolution passed by a majority in number of share-holders of that class holding three fourths of the share capital of that class at a separate General Meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meetings shall, mutatis mutandis, apply.

BORROWING POWERS

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

53. The Directors may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and, in particular, by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future,) including its uncalled capital for the time being.

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

55. Any debentures, debenture-stock, bonds, or other securities, may be issued at a discount, premium, or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors, and otherwise.

MEETINGS

56. General Meetings shall be held once in every calendar year at such time and place as may be prescribed by the Company in general Meeting, and if no other time or place is prescribed at such time and place as may be determined by the Directors.

57. The General Meetings referred to in the last preceding clause shall be called Ordinary Meetings; all other meetings of the Company shall be called Extraordinary Meetings.

58. The Directors may, whenever they think fit, and they shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra ordinary General Meeting of the Company and in the case of such requisition the provisions of Section 78 of the Act shall apply. If at any time there are not in Mumbai sufficient Directors capable of acting to form a quorum, any director may convene an Extra ordinary General Meeting in the same manner a nearly as possible as that in which meetings may be convened by the Directors.

59. Fourteen days' notice to the members specifying the place day and hour of meeting, and, the general nature of such business, shall be given and served as hereinafter provided, and with the consent in writing of all the members, entitled to receive notice of such meeting a meeting may be convened by shorter notice, and in any manner they think fit.

60. When it is proposed to pass a Special Resolution notice of an Extraordinay General Meeting of not less than 21 days specifying the intention to propose the Resolution as a Special Resolution shall be given.

61. The accidental omission to give any such notice to any of the members shall not invalidate the proceedings at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

62. The business of an Ordinary Meeting shall be to receive and consider the Profit and Loss Account the Balance Sheet, and the reports of the Directors and of the Auditors to elect Directors and other Officers in the place of those retiring by rotation, to declare dividends, and to transact any other business which, under thee presents ought to be transacted at an Ordinary Meeting.

63. Three members personally present shall be a quorum for a general meeting for the choice of chairman, the declaration of a dividend and the adjournment of the meeting. For all other purposes the quorum for a general meeting shall be members personally present, not being less than five in number.

64. No business shall be transacted at any general meeting unless the quorum requisite shall be present at the commencement of the business.

65. The chairman of the directors shall be entitled to take the chair at every general meeting, or, if there be no such chairman, or, if any meeting he shall not be present

within fifteen minutes after the time appointed for holding such meeting, the members present shall chose another director as chairman, and, if no director be present, or, if all the directors present decline to take the chair, then the embers present shall choose one of their number to be chairman.

66. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at such adjourned meeting a quorum is not present those members who are present shall be a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.

67. Every question submitted to a meeting shall be decided, in the first instance, by a show of hands, and in the case of an equality of votes the chairman shall, both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

68. At any general meeting, unless a poll is before or on the declaration of the result of the show of hands demanded, in the case of a special or extra ordinary resolution by at least five persons entitled to vote, or in any other case by the chairman or by at least five members, or by at least three members holding or representing by proxy or entitled to vote in respect of at least one-tenth part of the capital represented at the meeting, a declaration by the chairman on a show of hands or on a poll that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

69. If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the chairman of the meeting directs and either at once, or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

70. The chairman of a general meeting may, with the consent of the meeting adjourn the same from time to time and from place to place, 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.

71. Any poll duly demanded on the election of a chairman of a meeting, or on any question of adjournment, shall be taken at the meeting and without adjournment.

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

73. The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

VOTES OF MEMBERS

74. Upon a show of hands every member present in person shall have one vote, and upon a poll every member presenting person or by proxy shall have one vote for every share held by him. Where a corporation being a member is represented by an officer or

proxy who is not a member, such officer or proxy shall be entitled to vote for such corporation on a show of hands.

75. Any person entitled under the transmission clause to transfer any shares may vote at any general meeting in a respect thereof in the same manner as if he were the registered holder of such shares, provided that the forty-eight hours at least 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 directors of his right to transfer such shares, or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

76. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share 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, that one of the said persons so present whose name stands first on the register in respect .of such share, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this clause be deemed joint holders thereof.

77. Votes may be given either personally or by proxy.

78. The instrument appointing a proxy shall be in writing, under the hand of the appointer or of his attorney, or if such appointer is a corporation, under its common seal, and shall be attested by one or more witnesses. No person shall be appointed a proxy who is not a member of the Company and qualified to vote, save that a corporation being a member of the Company and qualified to vote, save that a corporation being a member of the company may appoint as its representative or proxy one of its officers, though not a member of the Company.

79. 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 of that power or authority shall be deposited at the office not less than seventy –two hours before the time for holding the meeting or adjourned meeting, or taking of the poll, at which the person named in such instrument proposes to vote and in default the instrument or proxy shall not be treated as valid but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

80. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer, shall have been received at the office before the meeting.

81. Every instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances will admit, be in the form or to the effect following:-

HINDOOSTAN MILLS LIMITED

I…………………….… of……………..…being a member of Hindoostan Mills Limited, hereby appoint ………………..… of…………………..…) or failing him ……………………………………………..… (as proxy, to vote for me on my behalf at the (ordinary or extra-ordinary as the case may be) general meeting of the Company to be held on the ….… day of …………. and at any adjournment thereof.

As witness my hand the ……………………..… day of ……………………………..…

Signed by the said ………………………..in the presence of ……………………..

82. No member shall be entitled to be present, or to vote on any question, either personally or by proxy, or for as proxy for another member, at any general meeting, or upon a poll, or be reckoned in a quorum, whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

83. Any resolution passed by the directors, notice where of shall be given to the members in the manner in which notices are hereinafter directed to be given and which shall, within one month after it shall have been so passed, be ratified and confirmed in writing by members entitled at a poll to three-fifths of the votes, shall be as valid and effectual as a resolution of a general meeting, but this clause shall not apply to a resolution for winding up the Company, or to a resolution passed in respect of any matter which by the statutes or these presents ought to be dealt with by special or extraordinary resolution.

DIRECTORS

* 84. Unless otherwise determined in a General Meeting and subject to the provisions of section 252 of the Act, number of Directors of the Company shall not be less than three or more than sixteen.

85. Messrs. V.D Thackersey & Co. so long as they continue to be Managing Agents of the Company be enitled to appoint one Ex.Officio Director. Such Director and each of his successors in office shall be entitled to hold the office until removed or requested to retire by the said Messrs. V.D. Thackersey & Co. and accordingly the Directors so appointed shall not be bound to retire by rotation or be subject to article 98, 99 or 100 hereof. As and when the Ex-officio Director vacates his office, whether upon removal or request as aforesaid or by death or otherwise, the said Messrs. V.D. Thackersey & Co., shall be entitled to appoint another director in his place."The ex. Officio Director shall not require any qualification and he may at any time by notice in writing to the Company resign his office".

86. A director who is out of Mumbai or about to go out of Mumbai, for a period of not less than three months may, with the approval of the directors, by notice in writing under his hand, appoint any duly qualified person to be an Alternate Director during his absence, and such appointment shall have effect; and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the directors and to attend and vote there at accordingly but he shall, ipso facto, vacate office, if and when the appointer returns to Mumbai or vacates office as a director or removes the appointee from office by the notice in writing under his hand.

87. The directors shall have power at any time, and from time to time, to appoint any qualified person as a director either to fill a casual vacancy or as an addition to the board, but so that the total number of directors shall not at any time exceed the maximum number fixed as above. But any director so appointed shall hold office only until the next following ordinary general meeting of the Company, and shall then be eligible for re-election.

* Altered vide special resolution passed at the 107th Annual General Meeting of the Shareholders of the Company held on September 15, 2011.

The following Resolution was passed as a Special Resolution at the Annual General Meeting held on 30th September, 2005.

NOMINEE DIRECTOR

88. (a) Subject to the provisions of the Companies Act, 1956 and notwithstanding anything to the contrary contained in these Articles, any Financial institution or Body Corporate or Bank or Insurance Corporation (hereinafter referred to as "the Financial Institution) shall have a right to appoint, remove, reappoint, substitute from time to time, its nominee as Director (hereinafter referred to as "the Nominee Director") on the Board of the Company, as long as any moneys remain owing to them or any of them by the Company, out of any financial assistance granted by them or any of them to the company by way of loan and / or by holding debentures and / or shares in the Company and/or any liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding.

(b) The Nominee Director so appointed shall not be required to hold any qualification share in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. Subject to the aforesaid, the said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees etc. as any other Director of the Company is entitled.

(c) If the Nominee Director is an Officer of SICOM Ltd (SICOM)/or any other financial institutions the sitting fees in relation to such Nominee Director shall accrue to SICOM / or such other financial institutions. SICOM or the Financial Institution shall be entitled to depute, observe and to attend the meetings of the Board or any other Committee constituted by the Board.

(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him / them to the Financial Institution appointing him / them as such Directors.

II The serial numbers of existing article 88 to 166 shall be renumbered from 89 to 167.

89. A Director need not hold any shares as qualification for holding office as a Director.

90. A first director may act before acquiring his qualification, but shall in any case acquire the same within one month from his appointment; and unless he shall do so, he shall be deemed to have agreed to take the said shares from the Company, and the same shall be forthwith allotted to him accordingly.

91. A Director shall be paid such sum for each meeting of the Board or Committee of the Board attended by him as may be determined by the Board within the ceiling as may be prescribed by the Central government from time to time under the Companies Act, 1956.

92. The continuing directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed, the directors shall not, except for the purpose of filling vacancies, act so long the number is below the minimum.

93. The office of director shall be vacated if the director:

(a) fails to obtain within the time specified in sub-section(1) of section 84 of the act, or at any time thereafter ceases to hold, the share qualification if any, necessary for his appointment; or
(b) is found to be of unsound mind by a court of competent jurisdiction ; or
(c) Is adjudged insolvent; or
(d) fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made; or
(e) Without the sanction of the company in general meeting accept or holds any office of profit under the company other than that of a managing director or manager or a legal or technical advisor or a banker; or
(f) Absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continous period of three months, whichever is longer, without leave of absence from the board of directors, or
(g) Accepts a loan from the company; or
(h) Is concerned or participates in the profits of any contract with the company; or
(i) Is punished with imprisonment for a term exceeding six months.

"Provided however that no director shall vacate his office by reason of his being a member in or a director of any incorporated company which has entered into any contract with or done work for the company (of which he is a director) or by reason of his being a member of any firm for the time being the managing agents of the company but a director shall not vote in respect of any such contract work or business in which he may personally be interested''.

* 94. The Company may give any loan or guarantee any loan made to a director of the Company or to a firm of which such Director is a partner or to a private Company of which such Director is a Director subject to the provisions of the Companies Act 2013.

95. Except with the consent of Director, a Director of the Company or the firm of which he is a partner or any partner of such firm or the private Company of which he is a member or Director shall not enter into any contracts for the sale purchase or supply of goods and materials with the Company provided that nothing herein contained shall affect any such contract or agreement for such sale purchase or supply entered into before the commencement of the Indian Companies (Amendment) Act 1936.Every Director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the Company shall disclose the nature of his interest at the meeting of the Directors at which the contract or arrangement is determined on, if his interest exists, or in any other case at the first meeting of the Directors after the acquisition of his interest or the making of the contract or arrangement.

Provided that a general notice that a Director is a Director or a member of any specified Company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such firm or Company, shall as regards any such transaction be sufficient disclosure within the meaning of this Article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or Company.

* Altered vide special resolution passed at the 120th Annual General Meeting of the Shareholders of the Company held on September 20, 2024.

96. A register shall be kept by the Company in which shall be entered particulars of all contracts or arrangement to which Article 94 applies and which shall be open to inspection by any member of the Company at the office during business hours.

97. The Directors shall keep at the office a register of the Directors, Managers and Managing Agents containing with respect to each of them the following particulars :

In the case of an individual his present name in full, any former name or surname in full, his usual residential address; his nationality and if that nationality is not his nationality of origin his nationality or origin and his business occupation; and if he holds any other Directorships the particulars of such Directorships. In the case of a corporation its corporate name; its registered or principal office and the full name and nationality of each of its Directors and in the case of a firm the full name, address and nationality of each partner and the date on which each become a partner. The Managing Agents shall within 14 days from the date of any change among its Directors, Managers or Managing Agents or in any of the particulars contained in the register send to the Registrar a return in the prescribed form containing the particulars specified in the register and the notifications in the prescribed form of any such change. The register to be kept under this Article shall during business hours. (subject to such reasonable restrictions as the Company may in General Meeting impose so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the Company without charge and of any other person on payment of Re.1 for each inspection.

98. A director of this company may be or become a director of any company promoted by this company or in which it may be interested as a vendor, shareholder, or otherwise and no such director shall be accountable for any benefits received as director or member of such company.

ROTATION OF DIRECTORS

99. At the ordinary meeting in every year, one third of the directors for the time being or, if their number is not three, or a multiple of three, then the number nearest to one-third shall retire from office.

100. The directors to retire at every ordinary general meeting shall be the directors who have been longest in office. As between two or more who have been in office an equal length of time, the director to retire shall in default of agreement between them be determined by lot. The length of time a director has been in office shall be computed from his last election or appointment where he has previously vacated office. A retiring director shall be eligible for re-election.

101. The Company at the general meeting at which Director retires in manner aforesaid may bill up the vacated office by electing a person thereto.

102. If at any meeting at which an election of Directors ought to take place, the places of the vacating Directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place and, if at the adjourned meeting the places of the vacating Directors are not filled up the vacating Directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

103. Subject to the provisions of Section 83 A and 83 B of the Act the Company in general meeting may from time to time increase or reduce the number of directors, and

may alter their qualification and may also determine in what rotation such increased or reduced number is to go out of office.

104. The Company may by extraordinary resolution remove any Director whose period of office is liable to determination at any time by retirement of Directors in rotation, before the expiration of his period of office and may be ordinary resolution appoint another person in his stead. The person so appointed 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 Director. A Director so removed shall not be reappointed a Director by the Board of Directors. This provision shall not apply to Directors elected or appointed before the commencement of the Indian Companies (Amendment) Act 1936.

105. No person, not being retiring director, shall, unless recommended by the directors for election, be eligible for election to the office of director at any general meeting, unless he or some other member intending to propose him, has, at least seven clear days before the meeting, left at the office a notice in writing duly signed signifying his candidature for the office, or the intention of such member to propose him.

PROCEEDINGS OF DIRECTORS

106. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business, until otherwise determined three directors shall be a quorum. A director interested in a contract is not to be counted in a quorum.

107. A director may at any time convene a meeting of the directors. It shall not be necessary to give notice of a meeting of the directors to a director who is not in Bombay. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall have a second or casting vote.

108. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present at the time appointed for holding the same, the directors present shall choose some one of their number to be chairman of such meeting.

*108A. The Directors may from time to time confer the title of Chairman Emeritus upon former Chairman of the Board who, in the judgement of the Directors, has brought credit and distinction to the Company through long and faithful service upon such entitlement, privilege and honorarium as the Directors may think fit and proper from time to time.

The Chairman Emeritus may or may not be the member of the Board of Directors or any Committee thereof.

109. 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 discretions by or under the articles of the Company for the time being vested in or exercisable by the directors generally.

* Altered vide special resolution passed at the 108th Annual General Meeting of the Shareholders of the Company held on August 9, 2012.

110. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, confirm to any regulations that may from time to time be imposed upon it by the directors.

111. 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 for as the same are applicable thereto, and are not superseded by any regulations made by the directors under the last preceding clause.

112. All acts done by any meeting of the directors, or by 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 disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such Director has been shown to be invalid.

113. A resolution in writing signed by all the directors present in Bombay shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted.

114. If any director, being willing, shall be called upon to perform extra services (which expression shall include work done by a director as a member of any committee formed by the directors or in relation to signing share-certificates) or to make any special exertions in going or residing out of Bombay or otherwise for any of the purpose of the company, the company shall remunerate the director so doing either by a fixed sum or by a percentage of profits, or otherwise as may be determined by the directors, and such remuneration may be either in addition to or in substitution for his or their share in the remuneration above provided.

MINUTES

115. The directors shall cause minutes to be duly entered in books provided for the purpose:-

(a) of the names of the directors present at each meeting of the directors and of any committee of directors;

(b) of all orders made by the directors and committees of directors;

(c) of all resolutions and proceedings of general meetings and of meetings of the directors and committees.

And any such minutes of any meeting of the directors or of any committee or of the company, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

116. Until the contrary is proved every general meeting of the Company or meeting of Directors in respect of the proceedings where of minutes have been so made shall be deemed to have been duly called and held and all proceedings had thereat to have been duly had, and all appointments of Directors or liquidators shall be deemed to be valid.

117. The books containing the minutes of proceedings of any general meeting of a company held after the commencement of the Indian Companies (Amendment) Act 1936 shall be kept at the office and shall during business hours (subject to such reasonable restrictions as the Company may in general meeting impose so that no less than two hours in each day be allowed for inspection) be open to the inspection of any member without charge. The Managing Agents shall at any time after seven days from the meeting be entitled to furnish to any member of the Company within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to above at a charge not exceeding six annas for every hundred words.

POWERS OF DIRECTORS

118. The management of the business of the Company shall be vested in the directors, who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the statute, and of these present, and to such regulations being not inconsistent with the aforesaid provisions as may from time to time be made by the Company in general meeting, provided that no regulation so made shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

119. Without prejudice to the general powers conferred by the last preceeding clause, and the other powers conferred by these present, it is hereby expressly declared that the directors shall have the following powers, that is to say, powers : -

(1) To purchase or otherwise acquire for the Company any property, rights, or privileges which the Company is authorised to acquire at such price, and generally on such terms and conditions as they think fit.

(2) At their discretion, 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 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, 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.

(3) To secure the fulfillment of any contracts 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 other manner as they may think fit.

(4) To appoint, and at their discretion, remove or suspend such managers, secretaries, officers, 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 or emoluments, and to require security in such instances and to such amount as they think fit.

(5) To accept from any member, or such terms and conditions as shall be agreed, a surrender of his shares or any part thereof.

(6) 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 requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

(7) 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 also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

(8) To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.

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

(10) To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.

(11) From time to time to provide for the management of the affairs of the Company outside Bombay in such manner as they think fit, and in particular to appoint any persons to be the attorneys or agents of the Company with such powers (including powers to sub delegate) and upon such terms as may be thought fit.

(12) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner other than loans to the Agents or to any Director of the Agents or to any Company under the management of the Agent as they may think fit, and from time to time to vary or realize such investments.

(13) 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 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, covenants, and provisions as shall be agreed on.

(14) To give to any person employed by the company a commission on the profits of any particular business or transaction, or a share in the general profits of the company, and such commission or share of profits shall be treated as part of the working expenses of the company.

(15) Before recommending any dividend, to set aside out of the profits of the Company, such sums as they think proper as a reserve fund to meet contingencies, or for equalizing dividend, or for special dividends, or for repairing, improving, and maintaining any of the property of the Company and for such other purposes as the directors shall in their absolute discretion think conducive to the interests of the Company; and to invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments, and dispose of all or any part thereof for the benefit of the Company and to

divide the reserve fund into such special funds as they think fit with full power to employ and assets constituting the reserve fund in the business of the Company, and that without being bound to keep the same separate from the other assets.

(16) From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

(17) 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 he Company.

Provided that the Directors shall not have any power to make any loan or guarantee any loan made to a Director of the Company or to a firm of which such Director is a partner or to a private company of which such director is a Director nor to make to the Managing Agents nor to any Director thereof any loan out of the monies of the Company nor to guarantee any loan made to the Managing Agents nor except with the consent of the Company in general meeting to sell or dispose of the undertaking of the Company or remit any debt due by a Director nor except with the consent of three fourths of the Directors present and entitled to vote on the resolution to enter into any contract with the Managing Agents or any member or Director of the Managing Agents Company for the sale purchase or supply of goods and materials with the Company nor shall the Directors make any loan to or guarantee any loan made to any company under management by the Managing Agent Company.

MANAGEMENT OF BUSINESS

120. Messers V.D. Thackersey & Co., notwithstanding any changes in the said firm by reason of death or retirement of any member or members or the addition of any members shall be the Agents of the Company and their remuneration shall be as follows -

(a) a sum of Rs.1,000/- per mensem;

(b) A commission upon the annual net profits of the Company calculated in the manner following, that is to say, commission at the rate of 10 per cent upon the net profits of the said Company whether dividends are declared up on the share capital of the said Company or not and in any year or years in which the net profits amount to or exceed Rs.50,000 (whether dividends are declared or not) at the rate of 15 per cent upon the said net profits.

(c) The said monthly allowance and commission shall be exclusive of and shall not include any remuneration, salaries, or wages which shall be payable to the Bankers, solicitors, engineers, commission agents, dealers, brokers, officers, clerks, servants, workmen and other employees who may be employed by the Agents for and on behalf of the said Company or for carrying on and conducting the business of the said Company nor any rent, cost of postage printing and stationery or other office expenses, nor any traveling charges and expenses incurred by the Agents in connection with the business of the said Company all of which remuneration, salaries, wages, costs, charges and expenses shall be paid by the said Company.

121. The general Management of the business of the Company subject to the control and supervision of the Directors, shall be in the said V.D. Thackersey & Company who shall have power and authority on behalf of the Company subject to such control and supervision to make all purchases and sales and to enter into all contracts and to do all other things usually necessary or desirable in the management of the affairs of the Company or in carrying out its objects, and shall have power to appoint and employ in or for the purposes of the transaction and management of the affairs and business of the Company or otherwise for the purposes thereof and from time to time to remove or suspend such managers, secretaries, engineers, clerks and other employees as they think proper, with such power and duties and upon such terms as to duration of employment, remuneration or otherwise as they shall think fit. Save and except that the said V.D. Thackersey & Co. or other Managing Agents of the Company shall not have power to issue debentures, nor, except with the express authority of the Directors and within the limits fixed by them, to invest the funds of the Company.

122. Receipts signed by the Agents for any moneys or goods or property received in the usual course of business of the Company, or for any moneys, goods, or property lent to, or payable, or belonging to the Company, shall be effectual discharges on behalf of and against the Company for the moneys, funds or property which in such receipts shall be acknowledged to be received and the person paying any such money shall not be bound to see to the application or be answerable for any misapplication thereof. The agents shall also have power to sign cheques on behalf of Company.

123. The Agents shall be authorised to sub-delegate all or any of the power, authorities and discretion for the time being vested in them, and in particular from time to time to provide, by the appointment of an attorney or attorneys, for the management and transaction of the affairs of the Company in any specified locality, in such manner as they may think fit.

124. The Agents shall not on their own account engage in any business which is of the same nature as and directly competes with the business carried on by the Company.

124A. Subject to the provisions of Sections 197A, 198, 267, 268, 269, 309, 310, 311, 316 and 317 of the Act, the Directors may from time to time appoint one or more of their body to be Managing Directors of the Company either for a fixed term not exceeding five years at a time or without any limitation as to the period for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

124B. A Managing Director shall not while he continue to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire but he shall, subject to the terms of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of Director from any cause shall ipso facto and immediately cease to be a Managing Director.

124C. The remuneration of a Managing Director shall from time to time be fixed by the Directors and may be by way of salary or commission or participation in profit or by any or all of these modes, or in any other form and shall be subject to the limitations prescribed in Section 198 and 309 of the Act.

124D. Subject to the restrictions contained in the next succeeding Article, Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers. Unless and until otherwise determined, Managing Director may exercise all the powers exercisable by the Directors, save such Powers as by the Act or by these Articles shall be exercisable by the Directors themselves.

124 E. The Managing Director or Managing Directors shall not exercise the powers to :-

1) make calls on shareholders in respect of moneys unpaid on shares of the Company.

2) issue debentures; and

3) except as may be delegated by the Board under section 292 of the Act, invest the funds of the Company, or make loans and borrow moneys.

124 F. The Company shall not appoint or employ, or continue the appointment or employment of, any person as its Managing or whole-time Director who :-

(a) is an undischarged insolvent, or has at any time been adjudged an insolvent;

(b) suspends, or has at any time suspended payment to his creditors, or makes or has at any time made a composition with them; or

(c) is, or has at any time been convicted by a Court in India of an offence involving moral turpitude.

124G. The provisions contained in the foregoing articles 124A, 124B, 124C, 124D, 124E and 124F shall come into force and effect and if and when M/s.V.D. Thackersey & Co., the present Managing Agents of the Company, shall cease to hold office as the Managing Agents of the Company.

THE SEAL

125. The Directors shall provide a common seal for the purposes the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the directors shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the directors or a committee of the directors previously given. And 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 for the Company, be signed by two directors at least in whose presence the seal shall have been affixed and countersigned by the Agents or some other person appointed by the directors for the purpose; provided nevertheless that certificates of shares may be sealed by the Agents or such other person as aforesaid in the presence and under signature of one director only and of the Agents or such other person.

RETURNS

126. The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force and in particular with the provisions in regard to the registration of the particulars with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the directors, managers, and managing Agents containing all the particulars required by section 87 of the Act and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and with the notice of any consolidation or increase of capital, and copies of special and extra-ordinary resolutions, and a return containing the particulars entered in the register of directors etc. and notification of any changes therein.

DIVIDENDS

127. Subject as aforesaid, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied, first, in paying the fixed cumulative preferential dividend on the capital paid up on the preference shares to the close of such year or other period, and secondly, in setting apart during such period as the directors may think fit a sum equal to 100% of the amount of the preference shares issued by the Company for the formation of a fund for paying of such shares at the expiration of such period or at such later date as the directors may decide; and thirdly, the surplus shall be applied to the payment of a dividend on the ordinary shares in proportion to the capital paid up thereon.

128. 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 participate in profits.

129. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and may fix the time for payment.

130. No larger dividend shall be declared than is recommended by the directors, but the Company in general meeting may declare a smaller dividend.

131. No dividend shall be payable except out of the profits of the company and no dividend shall carry interest as against the company.

132. The declaration of the directors as to the amount of the net profits of the Company shall be conclusive.

133. The directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

134. The directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

135. Any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures, or debenture-stock of the Company, or paid-up shares, debentures, or debenture stock of any other Company, or in any one or more of such ways, and the

directors shall give effect to such resolution; and; where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the directors. Where requisite, a proper contract shall be filled in accordance with Section 104 of the Act, and the directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.

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

137. The directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Clause 43) entitled to become a member, or which any person under that clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.

138. Any one of several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

139. Unless otherwise directed, any dividend maybe paid by cheque or warrant sent through the post to the registered address of the member entitled, or in the case of joint holders, to the registered address of that one whose name stands first on the register in respect of the joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

140. Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares in manner hereinafter provided.

141. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and all dividends unclaimed for three years after having been declared may be forfeited by the directors for the benefit of the Company.

CAPITALISATON

*The following resolution was passed as a special resolution at the Annual General Meeting held on 4th September, 1997.

*141A. Subject to the provision of the Act :

1. Any general meeting may resolve that any moneys, undivided profits of the Company (including profits or surplus moneys arising from realization of any capital assets of the Company) standing to the credit of the Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend or representing the premiums received on the issue of shares, and standing to the credit of the share premium account be capitalized.

a) by the distribution among the holders of the shares of the Company or any of them on the footing that they become entitled thereto as capital in accordance with respective rights interest and in proportion to the amount paid or credited as paid thereon, of paid up shares, debenture- stock, bonds, or other obligations of the of the Company, or

b) by crediting shares of the Company which may have been issued and are not fully paid up in proportion to the amount paid or credited as paid thereon, respectively, with the whole of any part of the sums remaining unpaid thereon, and the Directors shall give effect to such resolution and apply such portion of the profits of Reserve Fund or any other Fund as may be required for the purpose of making payment in full or part for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed 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, 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 share-holders in full satisfaction of their interest in the said capitalized sum.

2. 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 generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations or fractional certificates or otherwise as they may think fit and may make cash payments to any holders of shares on the footing of the value so fixed in order to adjust rights and may vest any shares, debentures, debenture-stock, bonds or other obligations in trustee upon such trusts for adjusting such rights as may seem expedient to the directors. 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, by crediting the partly paid with the whole or part of the unpaid liability thereon, but so that as between the holders of fully paid shares and partly paid shares the sums so applied in payment of such further shares and in the extinguishment or diminution of the liability on partly paid shares shall be so applied prorata in proportion to the amounts then already paid or credited as paid on the existing fully paid and partly paid shares respectively. When deemed requisite a proper contract shall be filled in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the company which have been issued prior to such capitalisation and such appointment shall be effective.

142. The Agents under the supervision of the directors shall cause true accounts to be kept of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place and of the assets, credits and liabilities of the Company, and all sales and purchases of goods by the company.

143. The books of account shall be kept at the registered office of the Company or at such other place or places as the directors think fit, and shall be open to inspection by the Directors during business hours.

144. The directors shall from time to time determine whether and to what extent, and at what times and places, and under what conditions or regulation, the accounts and books of the company, or any of them, shall be open to the inspection of the members (not being directors) 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 law or authorised by the directors or by the Company in general meeting.

145. At every ordinary general meeting the directors shall lay before the company a profit and loss account and a balance-sheet, containing a summary of the property and liabilities of the company made up to a date more than nine months before the meting, from the time when the last preceding account and balance sheet were made up.

146. The balance sheet shall contain a summary of the property and assets and of the capital and liabilities of the Company giving such particulars as will disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at. The balance-sheet shall be in the form marked “F” in the Third Schedule to the Act or as near thereto as circumstances admit.

147. The profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentages or otherwise to the Managing Agents if any and the Directors respectively as remuneration for the services and, where a special resolution passed by the members of the Company so requires, to the Manager, and the total of the amount written off for depreciation.

148. The balance sheet and the profit and loss account shall be audited by the Auditor of the Company as hereinafter provided and the Auditor’s report shall be attached thereto or there shall be inserted at the foot thereof reference to the report and the report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.

149. Every such balance sheet shall be accompanied by a report of the directors as to the state and condition of the Company, and as to the amount which they recommend to be paid out of the profit by way of dividend or bonus to the members, and the amount (if any) which they propose to carry to the reserve fund according to the provisions in that behalf hereinbefore contained, and the profit and loss account, and balance sheet shall be signed by at least two directors and countersigned by the Agents. The report may be signed by the Chairman of Directors on behalf of the Directors if auhorised in that behalf by the Directors.

150. The Company shall send a copy of such balance sheet and profit and loss account or income and expenditure account so audited together with a copy of the auditor’s report to the registered address of every member of the Company at least fourteen days before the meeting at which is to be laid before the members of the Company and shall deposit a copy at the registered office of the Company for the inspection of the members of the Company during a period of atleast fourteen days before that meeting.

AUDIT

151. Once at least in year the accounts of the Company shall be examined and the corrections of the profit and loss account and balance sheet ascertained by one more auditor or auditors.-

152. The provisions of the Act, as to auditors shall apply.

153. Every account of the directors, when audited and approved by general meeting, shall be conclusive, except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the period, the account shall forthwith be corrected, and thenceforth shall be conclusive.

NOTICES

154. A notice may be served by the Company upon any member, either, personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered place of address, or if has no registered address in British India to the address, if any, within British India supplied by him to the Company for the giving of notices to him.

155. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice and unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post. A certificate in writing signed by the Agents, Manager, Secretary or other officer of the Company that an Envelope or Wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

156. If a member has no registered address in British India and has not supplied to the Company an address within British India for the giving of notices to him a notice addressed to him and advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly given to him on the day on which the advertisement appears.

157. A notice may be given by Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share and notice so given shall be sufficient notice to all such joint holders.

158. Any notice required to be, or which may be given by advertisement, shall be advertised once in two Bombay daily newspapers.

159. Every person who, by operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which, previously to his name and address being entered on the register, shall be duly given to the person from whom he derives his title to such share.

160. A notice may be given, 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 British India supplied for the purpose by the person claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency has not occurred.

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

162. Notice of every general meeting shall be given in some manner hereinafter authorized to (a) every member of the Company (including bearers of share warrants) except those members who (having no registered address within British India) have not supplied to the Company an address within British India for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or insolvency

of a member, who but for his death or insolvency would be entitled to receive notice of the meeting. No other persons shall be entitled to receive notices of general meetings.

WINDING UP

163. 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 the excess shall be distributed amongst the members 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.

164. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of an extraordinary resolution, divide among the contributories, in specie or kind, any part of the assets of the Company, and may, with the like sanction, vest any part of the assets of the Company, in trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction, shall think fit.

(2) If thought expedient any such division may be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights, or may be excluded altogether or in part, but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 208C of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise, and person entitled under such division to any days after the passing of the extraordinary resolution, by notice in writing , direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY

165. To the extent permitted by Section 86C of the Act every director, member of the said Vithaldas Damodar Thackersey and Co., Ltd., manager, auditor, secretary, and other officer or servant of the Company shall be indemnified by the Company against, and is shall be the duty of the director out of the funds of the Company to pay, all costs losses expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant, or in any way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attached as a lien on the property of the Company, and have priority as between the members over all other claims.

166. No director, auditor, 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 expense happening to the Company through the 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 tortuous act of any person with whom any moneys, securities, or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on his part; or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

SECRECY CLAUSE

167. No member shall be entitled to visit or inspect the Company's factories without the permission of the Directors or the Agents or to require discovery of any information respecting any detail of the Company's trading or any matter 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 Directors or the Agents it may be inexpedient in the interest of the members of the Company to communicate to the public.

Name, address, and description of shareholder.	Number of shares taken by each shareholder.
Richard Augustus Willis, Merchant. Bombay	Fifty.
R. S. Contractor ~~contractor~~ wari Bunder	Twenty
John Bruce King Machell	Fifty
Robert Hemus Handasyde Hopkins	Twenty.
Dorabji Hormasji Dadachanji Cursetjee Muncherjee & Sons.	Twenty
Robert William Rudall Remington Dhurupdee Bombay	Forty.
Francis Hogan Apollo Bunder Bombay	Twentyfive.

Dated this 16th day of May 1904

Kashinath Vittal Nate
Clerk The Sardar Cashier
Witness to the above signatures.