COMPANY APPLICATION NO 806 OF 2012
IN THE HIGH COURT AT CALCUTTA
ORIGINAL JURISDICTION

IN THE MATTER OF :
The Companies Act, 1956;
-And-
IN THE MATTER OF :
An Application Under Sections 391(1) and 393 of the said Act;
-And-
IN THE MATTER OF :
Garden Polymers Private Limited a Company incorporated under the Companies Act, 1956 and having its Registered Office at 2, Red Cross Place, Kolkata - 700001 within the jurisdiction aforesaid;
-And-
IN THE MATTER OF :
HSIL Limited a Company incorporated under the Companies Act, 1956 and having its Registered Office at 2, Red Cross Place, Kolkata - 700 001 within the jurisdiction aforesaid;

1. Garden Polymers Private Limited

2. HSIL Limited

.... Applicants

NOTICE CONVENING MEETING

To:

1. The Equity Shareholders of :
   Garden Polymers Private Ltd
   And
2. The Equity Shareholders of :
   HSIL LIMITED

TAKE NOTICE that by an order made on the 22nd January, 2013 the Hon'ble High Court at Calcutta has directed that separate meetings of the Equity Shareholders of GARDEN POLYMERS PRIVATE LIMITED. (hereinafter referred to as "THE TRANSFEROR COMPANY") and Equity Shareholders of HSIL LIMITED (hereinafter referred to as "THE TRANSFEREE COMPANY") the applicants abovenamed respectively be held at SOMANY CONFERENCE HALL, MCC CHAMBER OF COMMERCE AND INDUSTRY, 15B, HEMANTA BASU SARANI, KOLKATA - 700001 on Friday, 1st March 2013 at the times as hereinafter mentioned for the purpose of considering, and if thought fit, approving, with or without modifications, the proposed Scheme of Amalgamation of THE TRANSFEROR COMPANY with THE TRANSFEREE COMPANY and the respective equity shareholders of the said Companies.

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein respective meetings of the Equity Shareholders of the Applicant Companies will be held at Somany Conference Hall of MCC Chamber of Commerce and Industry, 15B, Hemanta Basu Sarani, Kolkata - 700001 and at the following times when you are requested to attend at the concerned meetings.

i) Equity Shareholders of M/s GARDEN POLYMERS PRIVATE LIMITED on 1st March 2013 at 12.30 P.M.

ii) Equity Shareholders of M/s. HSIL LIMITED on 1st March 2013 at 2.00 P.M.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting or meetings, as the case may be in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the respective applicant companies as aforesaid not later than 48 hours before the respective meetings.

The Court has appointed Mr. Mukti Chandra Ghosh Advocate, as the Chairperson of the meeting of M/s GARDEN POLYMERS PRIVATE LIMITED.

The Court has appointed Mr Prabir Kumar Samanta retired Judge of this Court as the Chairperson of the meeting of HSIL LIMITED.

A copy each of the Scheme of Amalgamation, Statement under Section 393 and a form of Proxy is enclosed herewith.

NOTE: All alterations made in the form of proxy should be initialled.

Dated this 31st day of January, 2013.

Drawn by :
Sd/- Pradeep Kumar Jewrajka
Advocate
12, Old Post Office Street
2nd Floor,
Kolkata - 700 001
Advocate for the applicants

Sd/- Mukti Chandra Ghosh
Sd/- Prabir Kumar Samanta
CHAIRPERSONS APPOINTED FOR THE SAID MEETINGS

Settled by :
Sd/- Sumit Das Sarkar
31.01.2013
Assistant Registrar (Company)
High Court, Original Side, Calcutta.

COMPANY APPLICATION NO 806 OF 2012
IN THE HIGH COURT AT CALCUTTA
ORIGINAL JURISDICTION

IN THE MATTER OF :
The Companies Act, 1956
-And-
IN THE MATTER OF :
An Application Under Sections 391(1) and 393 of the said Act;
-And-
IN THE MATTER OF :
Garden Polymers Private Limited a Company incorporated under the Companies Act, 1956 and having its Registered Office at 2, Red Cross Place, Kolkata - 700001 within the jurisdiction aforesaid;
-And-
IN THE MATTER OF :
HSIL Limited a Company incorporated under the Companies Act, 1956 and having its Registered Office at 2, Red Cross Place, Kolkata - 700001 within the jurisdiction aforesaid;

1. Garden Polymers Private Limited

2. HSIL Limited

... Applicants

STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT 1956

1. The accompanying notice has been sent for convening a meeting of the Equity Shareholders of Garden Polymers Private Limited (hereinafter referred to Transferor Company) And HSIL Limited (hereinafter referred to as Transferee Company) for the purpose of considering, and if thought fit, approving with or without modifications, the proposed Scheme of Amalgamation of Garden Polymers Private Limited (the Transferor Company) with HSIL Limited (the Transferee Company) (hereinafter also referred to as "Scheme"). The detailed terms of the said Amalgamation will appear from the enclosed draft of the Scheme.

2. The circumstances which justify and/or necessitate the said Scheme of Amalgamation are, inter alia, as follows:-

   a) The Amalgamation will enable the Applicant No. 1 to get the backing of Applicant No. 2 directly in implementing its project more successfully and smoothly, financially and technically.

   b) The Amalgamation will enable the Applicant No. 2 to make further growth and diversification of business of the companies and to rationalise management structure of the Companies.

   c) The amalgamation of the Applicant No. 1 with the Applicant No. 2 would form a combined entity with a strong financial and managerial resource basis capable of investing in enhanced capacity.

d) The amalgamation will benefit the Applicant No. 1 to avail of the goodwill and reputation of the Applicant No. 2 in carrying on business.

e) The amalgamation will make the association permanent and active alround improvement in the business activities of the combined entity.

f) The amalgamation will contribute in furthering and fulfilling the objects of all the Companies concerned and in the growth and development of their business.

g) The amalgamation will enable the Companies to stabilise the business of the Companies.

h) The amalgamation will bring in economies in the scale of operations which will promote efficiencies in operations and accelerate long term growth. It will help to build large scale operations and provide financial and managerial support which will ultimately be beneficial to the interests of the shareholders at large.

i) The proposed amalgamation will bring about greater economies in operation and will reduce secretarial work particularly by reason of the fact that one set of Returns will be required to be filed instead of separate Returns by the Applicants.

j) The proposed amalgamation will be complementary and the operation of the Applicants will be better integrated by reason of more effective use of resources including financial resources.

k) The amalgamation of the Applicants will benefit the Applicants to carry on their business as a combined unit on a larger scale.

3. Since the entire shareholding of the Transferor Company is held by the Transferee Company and its nominees, no new shares shall be issued consequent upon proposed amalgamation in respect of equity shares held by the Transferee Company in the Share Capital of Transferor Company before and/or as on the effective date which shall be cancelled and shall be deemed to be cancelled without any further act or deed and there will be no change in pre and post shareholding pattern of the Transferee Company consequent to the amalgamation.

4. The Board of Directors of the applicant Companies have at their respective Board meetings by a Resolution passed approved the said scheme of Amalgamation.

5. The said Scheme of Amalgamation is fair, reasonable and practicable. The terms and conditions of the said Amalgamation will not adversely affect the shareholders or creditors of the Applicants.

6. The Applicant Companies have not issued nor has presently agreed to issue any debentures.

7. The Stock Exchanges on which the Applicant No. 2 Company is listed, i.e. National Stock Exchange and Bombay Stock Exchange have already been intimated under Clause 24 (f) of the Listing Agreement by a letter dated 26 September 2012.

8. The aggregate assets of the Applicant Companies are more than sufficient to meet all the liabilities and the said Scheme will not adversely affect the rights of any of the creditors of the Applicant Companies in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in usual course.

9. No investigation proceedings are pending against the Applicants under Sections 235 to 251 or under Sections 397 and 398 of the Companies Act, 1956 or any other provisions thereof.

10. The Directors of the Applicant No. 1 and Applicant No. 2 may be deemed to be concerned or interested in the Scheme in respect of their shareholdings in the Applicant No. 1 and the Applicant No. 2 which are noted below :

Name of Directors of the Applicants	No. of Equity Shares held in Applicant No. 1 (GPPL)	No. of Equity Shares held in Applicant No. 2 (HSIL)
A. Directors of GPPL		
Mr. Girdhari Lal Sultania (Nominee of HSIL Limited u/s 187(c) of the Companies Act, 1956)	1	
Mr. Ram Babu Kabra (Nominee of HSIL Limited u/s 187(c) of the Companies Act, 1956)	1	
Mr. Arun Kumar Dukkipati	-	-
B. Directors of HSIL	-	
Mr. Rajendra Kumar Somany	-	2620114
Mr. Sandip Somany	-	2904028
Mr. Girdhari Lal Sultania	-	6705
Mr. Nand Gopal Khaitan	-	832
Mr. Vijay Kumar Bhandari	-	-
Mr. Ashok Jaipuria	-	18000
Mr. Vishal Kirti Keshav Marwaha	-	25000
Mr. Rainer Siegfried Simon	-	-
Mr. Salil Kumar Bhandari	-	-

11. Copies of the following documents are open for inspection at the Registered Offices of THE TRANSFEROR COMPANY and THE TRANSFEREE COMPANY between 11.00 A.M and 1 P.M. on any working day until the date of the meeting :-
    i) Memorandum and Articles of Association of THE TRANSFEROR COMPANY.
    ii) Memorandum and Articles of Association of THE TRANSFEREE COMPANY.
    iii) Audited Balance Sheet for the year ended 31st March,2012 of THE TRANSFEROR COMPANY and the Audited Balance Sheet for the year ended 31st March, 2012 of the THE TRANSFEREE COMPANY.
    iv) Register of Directors Shareholdings of THE TRANSFEROR COMPANY and THE TRANSFEREE COMPANY.
    v) Scheme of Amalgamation of THE TRANSFEROR COMPANY with THE TRANSFEREE COMPANY.
    vi) Copy of the no objection letters received from the National Stock Exchange of India Limited and Bombay Stock Exchange Limited where the shares of Transferee Company are listed.
    vii) Order dated 22.01.2013 passed by the Hon'ble Justice Sanjib Banerjee.
12. After the proposed Scheme is approved by you it will be subject to the subsequent approval by the Hon'ble High Court at Calcutta.

Drafted by :
Sd/- Pradeep Kumar Jewrajka
Advocate
12, Old Post Office Street
2nd Floor, Kolkata - 700 001

Settled by :
Sd/- Sumit Das Sarkar
31.01.2013
Assistant Registrar (Company),
High Court, O.S.
Calcutta.

SCHEME OF AMALGAMATION
OF
GARDEN POLYMERS PRIVATE LIMITED
AND
HSIL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTION 391 & 394 OF THE COMPANIES ACT, 1956.

RATIONALE FOR THE SCHEME

HSIL Limited, (hereinafter called "HSIL" or "the Transferee Company") is an existing Company within the meaning of The Companies Act, 1956, having its registered office at 2, Red Cross Place, Kolkata - 700001. The Transferee Company was originally incorporated on the 8th February, 1960 under the name Hindusthan Twyfords Limited. Subsequently the name was changed to Hindustan Sanitaryware & Industries Limited with effect from 3rd May, 1969, and obtained a fresh Certificate of Incorporation from The Registrar of Companies, West Bengal, to the said effect. The name Hindustan Sanitaryware & Industries Limited was further changed to HSIL LIMITED and a fresh Certificate of Incorporation was issued by The Registrar of Companies, West Bengal, on 24th March, 2009.

The Transferee Company is authorized to and primarily engaged in the business of manufacturing, preparing, importing, exporting, buying, selling and otherwise dealing in all kinds of sanitaryware, faucets, and glass hollowwares.

Garden Polymers Private Limited (hereinafter called "GPPL" or "the Transferor Company") is an existing Company within the meaning of the Companies Act, 1956.

The Transferor Company was originally incorporated as SAIYOG PLASTICS & CHEMICALS PRIVATE LIMITED on the 8th May, 1981, under the provisions of the Companies Act, 1956, as a Private Company Limited by shares and obtained Certificate of Incorporation from Registrar of Companies, Maharashtra. Subsequently the name of the Company was changed from Saiyog Plastics & Chemicals Private Limited to Garden Polymers Private Limited and a fresh Certificate of Incorporation was issued on 5th March, 1999, by the Registrar of Companies, Karnataka.

The Registered Office of Garden Polymers Private Limited was shifted from the State of Maharashtra to the State of Karnataka, in term of an Order dated 21st May, 1986, of the Company Law Board, Western Region Bench and was further shifted from the State of Karnataka to the State of West Bengal, in terms of an Order dated 26th June, 2012, of the Company Law Board, Chennai Bench and is situated at 2, Red Cross Place Kolkata - 700001.

The Transferor Company is authorized to and primarily engaged in the business of manufacturing, preparing, importing, exporting, buying, selling and otherwise dealing in all kinds of plastic bottles/ containers.

HSIL, the Transferee Company along with its nominees acquired 100% Equity Share Capital of GPPL on 12th August, 2011, and accordingly GPPL is a wholly owned subsidiary of HSIL with effect from 12th August, 2011.

It is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation and anticipated the following benefits:-.

i) The Scheme will facilitate appropriate consolidation of undertakings of the Transferor Company and the Transferee Company with better utilization of their combined resources economically, which would cause benefits to both the entities, the employees, the shareholders, the creditors and to all concerned.

ii) Greater integration, financial strength and flexibility for the amalgamated entity, which would result in improved overall shareholder value.

iii) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

The scheme is divided into following parts:-

Part - I : Containing the definition of words and phrases used in this Scheme of Amalgamation and the Share Capital of the Transferor Company and the Transferee Company.

Part - II : Containing the Scheme for transfer and vesting of all the assets and rights of the Transferor Company to and in the Transferee Company.

Part - III : Containing the status of Legal Proceedings.

Part - IV : Containing the Taxation Matters

Part - V : Containing the status of Transactions between Appointed date & Effective date.

Part - VI : Containing the matter pertaining to increase in Authorised Share Capital of the Transferee Company.

Part - VII : Containing the Accounting Treatment.

Part - VIII : Containing provisions pertaining to Staff, Workmen and Employees.

Part - IX : Containing provisions for dissolution of the Transferor Company without winding up.

Part - X : Containing General Terms and Conditions.

PART - I

1. Definition

1.1 For the purpose of this Scheme of Amalgamation the words and phrases used herein shall have the following meanings :

i) **"The Act"** means the Companies Act, 1956, the rules and regulations made thereunder and shall include any Statutory modification, re-enactment or amendment thereof.

ii) **"Appointed Date"** shall mean the 1st day of April, 2012 or such other date as the High Court at Calcutta may direct.

iii) **"Effective Date"** shall mean the date referred to in clause 10.7 of Part - X hereof.

iv) **"Board of Directors"** or **"Board"** means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include the duly constituted Committee thereof.

v) **"Transferor Company"** shall mean Garden Polymers Private Limited ("GPPL") an existing Company within the meaning of the Companies Act,1956 and having its registered office at 2, Red Cross Place Kolkata - 700 001.

vi) **"Transferee Company"** shall mean HSIL Limited ("HSIL") an existing Company within the meaning of the Companies Act,1956 and having its registered office at 2, Red Cross Place, Kolkata - 700 001.

vii) **"The Scheme"** means this scheme of amalgamation in its present form or with any modification(s) approved or imposed by the High Court at Calcutta or any other appropriate Authority(ies).

1.2. Share Capital

i) Share Capital of the Transferor Company and the Transferee Company as on 31st March, 2012 are as given hereinbelow:-

a) Share Capital of GPPL, the Transferor Company

Particulars	Rupees
Authorised Share Capital :	
20,000 Equity Shares of Rs.1000/- each	2,00,00,000
2,500 Redeemable Preference Shares of Rs.1000/- each	25,00,000
	2,25,00,000
Issued, Subscribed & Paid-up Capital :	
18,500 Equity Shares of Rs.1000/- each	1,85,00,000
	1,85,00,000

b) Share Capital of HSIL, the Transferee Company

Particulars	Rupees
Authorised Share Capital :	
10,00,00,000 Equity Shares of Rs. 2/- each	20,00,00,000
Issued, Subscribed & Paid-up:	
6,60,46,395 Equity Shares of Rs. 2/- each	13,20,92,790
Add: Forfeited Share Capital	3,825
	13,20,96,615

PART - II

2. Transfer and Vesting of Undertaking

2.1 With effect from the Appointed Date the entire business and undertakings of Garden Polymers Private Limited, the Transferor Company including all its assets and properties of whatsoever nature and the rights and powers of every kind nature and description and all their properties moveable (including all shares and securities, cash and bank balances, loans and advances) and immovable, whether tangible or intangible, free-hold land or lease-hold land real or personal corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and where so

ever situate including all leases and tenancy rights and all other interests or rights in or arising out of the said properties and including any licenses, approvals, liberties, patent, trade mark, know-how, copy rights, trade secrets, brands, export and import quotas eligibility certificates, telephones, Fax, facsimile and other communication facilities and equipment rights, business licences, product licences, marketing authorizations, Factories Act Licence, Manufacturing Licence, approvals under various statutes, permits, deposits, authorization, insurance cover of every description and benefits of all agreements and all other interests, rights and powers of every nature and description whatsoever privileges, liberties, easements, advantages, benefits and approvals held by the Transferor Company or to which the Transferor Company is entitled to and all liabilities including its debts, duties, engagements and obligations including liability(ies) those arising on account of taxation laws and other allied laws, payment of gratuity and pension benefits, if any, Provident Fund dues and compensation in the event of loss of office shall without any further act or deed stand transferred to and be vested in the Transferee Company pursuant to the provisions of Sections 391(2) and 394 of the Act, for all the estate and interest of the Transferor Company but subject nevertheless to all charges, if any, then affecting the same or any part thereof on compliance of requisite formalities.

2.2 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties and other assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, liens or other encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company, except for done in the normal course of business.

PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loans deposits or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective.

2.3 All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment on or after the Appointed Date and presented after the Effective Date.

2.4 Subject to the other Provisions of this Scheme all contracts, deeds, bonds, agreements and other documents and instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before this Scheme of Amalgamation becomes finally effective shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectually as if instead of the Transferor Company, the Transferee Company had been a party thereto.

PART - III

3 Legal Proceedings

3.1 All proceedings by or against the Transferor Company pending on the effective date and relating to its respective undertakings Assets, rights, debts, liabilities, obligations and duties as the case may be of the Transferor Company shall be continued and enforced by or against the Transferee Company.

3.2. If any suit, appeal or other proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against the Transferor Company be pending the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the undertakings of the Transferor Company or of anything contained in this Scheme but the 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 or enforced by or against the Transferor Company as if this Scheme had not been made.

PART - IV

4 Taxation Matters

4.1 Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax Laws, Central Sales Tax Act, 1956 or other applicable laws/regulations dealing with taxes/duties/levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further the Minimum Alternate Tax paid by the Transferor Company under Section 115 JB and/or other provisions (as applicable) of the Income-tax Act, 1961, shall be deemed to have been paid on behalf of the Transferee Company, and the Minimum Alternate Tax credit (if any) of the Transferor Company as on or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

4.2 All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company or any of its agents to any statutory authorities such as income tax, sales tax, and service tax, or any tax deduction/collection at source, tax credits under Tax Laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the Effective Date and upon relevant proof and documents being provided to the said authorities.

4.3 Upon Scheme becoming effective, the Commercial tax holiday enjoyed by the Transferor Company shall continued to be enjoyed by the Transferee Company for the residual period of such Commercial Tax holiday, without interruption or break on compliance of requisite formalities.

PART - V

5 Transactions between Appointed date & Effective date

5.1 With effect from the Appointed Date till the Effective date the Transferor Company shall be deemed to carry on all business and activities and stand possessed of the properties so to be transferred for and on account of the Transferee Company and in trust for the Transferee Company and the Transferor Company shall account for the same to the Transferee Company and the profits accruing to the Transferor Company or losses arising or incurred by it shall for all purposes be treated as the profits or losses as the case may be of the Transferee Company and the Transferor Company shall not without the consent of the Transferee Company transfer alienate charge or otherwise deal with its respective undertakings or any part thereof except in the ordinary course of business and also except as provided herein.

PART - VI

6 Increase in Authorised Share Capital of the Transferee Company

6.1 Upon the Scheme coming into effect, the authorized share capital of the Transferor Company in terms of its Memorandum of Association and Articles of Association shall become a part of Authorised Capital of the Transferee Company 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, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorized share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital and, accordingly, the Transferee Company shall not be required to pay any fees/stamp duty on the authorized share capital so increased.

Accordingly, in terms of this Scheme, the Authorised share capital of the Transferee Company shall stand enhanced to an amount of Rs. 22,25,00,000/- divided into 11,12,50,000 equity shares of Rs. 2/- each and the capital clause being Clause V of the Memorandum of Association of the Transferee Company shall stand substituted to read as follows:

"V. The Authorised Share Capital of the Company is Rs. 22,25,00,000/- divided into 11,12,50,000 Equity Shares of Rs. 2/- each, with power to increase or reduce the Capital and to divide the Shares in the Capital for the time being in to several classes."

Article 4 of the Articles of Association of the Transferee Company shall, on the Effective Date, also stand substituted to read as follows:

"4 At the date of adoption of these Articles, the Authorised Share Capital of the Company is Rs. 22,25,00,000/- divided into 11,12,50,000 Equity Shares of Rs. 2/- each."

PART - VII

7. Accounting Treatment

7.1 Upon this Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of account in accordance with the method of accounting as prescribed under "Purchase Method" as prescribed under Accounting Standard (AS) 14: "Accounting for Amalgamations"

prescribed by the Central Government under Companies (Accounting Standard) Rules 2006, as amended from time to time and issued by Institute of Chartered Accountants of India (ICAI). Accordingly, all the identifiable assets and liabilities of the Transferor Company shall be incorporated in the books of the Transferee Company at their respective fair values as on the appointed date. The reserves (whether capital or revenue or arising on revaluation) of the Transferor Company, other than the statutory reserves, shall not be included in the financial statement of the Transferee Company. The surplus/ deficit, if any, arising on account of this incorporation shall be transferred to Capital Reserve Account / Goodwill in the books of the Transferee Company.

7.2 Upon the Scheme coming into effect, the amount of any and all inter-company balances and the loans and advances provided by the Transferee Company to the Transferor Company shall stand cancelled without any further act or deed.

7.3 In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.

7.4 Since the entire shareholding of the Transferor Company is held by the Transferee Company and its nominees, no new shares shall be issued consequent upon proposed amalgamation in respect of equity shares held by the Transferee Company in the Share Capital of Transferor Company before and/or as on the effective date which shall be cancelled and shall be deemed to be cancelled without any further act or deed and there will be no change in pre and post shareholding pattern of the Transferee Company consequent to the amalgamation.

7.5 The Transferee Company shall record in its books of account, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from the Appointed Date to the Effective Date.

7.6 Notwithstanding the above, the Board of Directors of the Amalgamated Company, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate.

PART - VIII

8 Staff, Workmen & Employees

8.1 All staff, workmen and employees of the Transferor Company who are in employment on the date immediately preceding the Effective Date in terms of the Scheme, shall as from the Effective Date become staff, workmen and employees of the Transferee Company on the same terms and conditions on which they have been engaged by the Transferor Company without any interruption or break in service as a result of the Transfer of the undertakings of the Transferor Company to the Transferee Company.

8.2 It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other fund, or Trust(s), if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company are concerned the Transferee Company shall, upon the Scheme becoming finally effective, stand substituted for the Transferor Company for all purposes whatsoever related to the administration, management or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds and that all the rights duties and obligations of the Transferor Company relating to such funds shall become those of the Transferee Company.

8.3 The Transferee Company shall be authorized to nominate/change, the trustees and other governing authorities of the provident fund, gratuity fund, superannuation fund or any other special fund or

Trust(s) created, or existing for the benefit of the staff, workmen and employees of the Transferor Company, which would become trust/funds of the Transferee Company once the Scheme become effective.

PART - IX

9 Winding up

On obtaining Sanction of Scheme of Amalgamation from the Hon'ble High Court and the report of the Official Liquidator necessary application shall be made by the Applicants for dissolution of the Transferor Company without winding up from the Effective Date.

PART - X

10 General Terms And Conditions

10.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to this scheme or agree to any conditions or limitations which the court may deem fit to approve of or impose.

10.2 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the respective record date as may be fixed by the Board of Directors of Transferee Company for the purpose of such dividends.

10.3 Until coming into effect of this Scheme, the holders of equity 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 their respective Articles of Association.

10.4 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to counter any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the Shareholders of the Transferor Company and the Transferee Company, respectively.

10.5 Upon coming into effect of the Scheme, the following Clause shall without any further act, instrument and deed be inserted as Clause 7E after Clause 7D under the Object Clause of the Memorandum of Association of the Transferee Company.

"To carry on the trade or business of Producers, Manufactures, Importers, Exporters, Dealers, Stockists, Buyers, Sellers of Pipes, Jointings, Fittings, Injection/Blow Moulding items, Toys and other articles, Containers, Bottles, Packing materials, Packing Sheets, Tubing by use of natural and synthetic Fibres and/or processed out of and/or by use of PVC/High Density Polyethylene/Low Density Polyethylene/Polystyrene."

10.6 The Transferee Company and the Transferor Company shall with all reasonable despatch make application to the Hon'ble High Court at Calcutta for sanctioning the Scheme under Section 391 of the Act, and for an order or orders under Section 394 of the Act for carrying the Scheme into effect and dissolution of the Transferor Company without winding up.

10.7 This Scheme is conditional upon the following and amalgamation shall be deemed to be effective on the date on which the last of such conditions shall have been fulfilled ("the Effective Date").

(a) The sanction, of the Scheme by the Hon'ble High Court at Calcutta under Section 391 of the Act and the appropriate order or orders being made by the said High Court pursuant to Section 394 of the Act.

(b) The consent or approval of any other appropriate authority if so necessary, under any statute or contract not specifically referred to in the scheme being obtained.

(c) The approval consent and agreement to the Scheme by the requisite majority of the shareholders of Transferor Company and the Transferee Company.

(d) The Scheme becoming fully effective in accordance with Sections 391 and 394 of the Act, for the amalgamation upon filing of the certified copy of such order or orders with the Registrar of Companies, West Bengal.

10.8 All costs, charges and expenses in relation to or in connection with negotiations leading to Scheme of carrying out and completing the terms and provisions of the Scheme and incidental to the completion of the Scheme shall be borne and paid out by the Transferee Company.

10.9 In case the Scheme is not sanctioned by the Hon'ble High Court at Calcutta for any reason whatsoever or for any other reason the Scheme cannot be made effective before 31st May, 2013 or within such further period or periods as may be agreed upon between the Transferor Company (by its Directors) and the Transferee Company (by its Directors) the Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred by the parties in terms of the Scheme.

COMPANY APPLICATION No. 806 of 2012
IN THE HIGH COURT AT CALCUTTA
ORIGINAL JURISDICTION

IN THE MATTER OF :
The Companies Act, 1956;
And
IN THE MATTER OF :
An application under Sections 391(1) and 393 of the said Act;
And
IN THE MATTER OF:
1. Garden Polymers Private Limited
2. HSIL Limited

.....Applicants

PROXY

I/We, the undersigned Equity Shareholder(s) of GARDEN POLYMERS PRIVATE LIMITED/HSIL LIMITED do hereby appoint Shri/Smt .....of..... ..... failing him/her.....of..... failing him/her.....of..... as my/our PROXY to act for me/us at the meeting of the Equity Shareholders of GARDEN POLYMERS PRIVATE LIMITED/ HSIL LIMITED to be held at Somany Conference Hall of MCC Chamber of Commerce & Industry, 15B, Hementa Basu Sarani, 2nd floor, Kolkata - 700001 on **Friday, the 1st March, 2013 at 12:30 P.M / 2.00 P.M.** for the purpose of considering and if thought fit, approving with or without modifications, the proposed Scheme of Amalgamation between GARDEN POLYMERS PRIVATE LIMITED and HSIL LIMITED and their respective shareholders and at such meeting or any adjournment thereof, to vote (*)..... the Scheme either with or without modification as my/our Proxy may approve.

Dated this.....day of.....2013.

(Strike out whichever is not applicable)

Signature :

Name :

Address :

Ledger Folio No./ DPID & Client ID :

Affix Re.1/- Revenue Stamp

Note : 1. Please affix appropriate Revenue Stamp of Re.1/- before putting Signature.

2. The proxy must be deposited at the Registered Office of GARDEN POLYMERS PRIVATE LIMITED/HSIL LIMITED at least 48 hours before the time of holding the meeting.

*(If you want to vote in favour of the Scheme with or without modifications put 'FOR' and in case you intend to vote against put 'AGAINST' and delete all the words after the words 'the Scheme')