

certified Copy Rs. 12-50
Additional Rs. 1 000
TOTAL Rs. 118-50

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.328 OF 1995
CONNECTED WITH
COMPANY APPLICATION NO.164 OF 1995

In the matter of Companies Act,
1956;

And

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

And

In the matter of Royal Cushion
Vinyl Products Limited;

And

In the matter of the Scheme of
Amalgamation of Royal Vinyls
Limited with Royal Cushion Vinyl
Products Limited.

Royal Cushion Vinyl)
Products Limited,)
a Company incorporated under)
the provisions of the Companies)
Act, 1956, having its registered)
office at Ramkrupa, 25, Parekh)
Street, Prathana Samaj,)
Bombay 400 004.) ... Petitioners.

Coram: D.R.Dhanuka J.

Date : 29th February, 1996

1408
1/2/96

UPON THE PETITION of Royal Cushion Vinyl Products Limited, the Petitioner Company abovenamed, solemnly declared on the 29th day of May, 1995, and presented to this Hon'ble Court on the 29th day of May, 1995, for sanctioning the arrangement embodied in the proposed Scheme of Amalgamation of Royal Vinyls Limited (hereinafter referred to as "the Transferor Company") with Royal Cushion Vinyl Products Limited (hereinafter referred to as "the Transferee Company") and for other consequential reliefs as mentioned in the said Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Vilas Pandurang Unavane, the Company Secretary of the Transferee Company dated the 29th day of May, 1995, in support of the said Petition AND UPON READING the affidavit of Mr. Vilas Pandurang Unavane, solemnly affirmed on the 22nd day of August, 1995, proving publication of notice of the hearing of the said Petition in the issues of Indian Express dated 22nd July, 1995, Samkaleen dated 20th July, 1995, and Loksatta (Marathi) dated 22nd July, 1995, pursuant to the order dated the 6th day of July, 1995, AND UPON READING the order dated the 30th day of March, 1995, passed by this Hon'ble Court in Company Application No. 164 of 1995 whereby the Transferee Company was ordered to convene a meeting of the equity shareholders of the Transferee Company for the purpose of considering and, if thought fit, approving, with or without modification, the said Scheme of Amalgamation being Exhibit "C" to the

affidavit of Mr. Vilas Pandurang Unavane dated the 29th day of March, 1995, in support of the said Company Application No. 164 of 1995 AND UPON READING the affidavit of Mr. Vilas Pandurang Unavane dated the 29th day of May, 1995, proving publication of notice convening the said meeting of equity shareholders of the Transferee Company in the issues of Indian Express dated 15th April, 1995, Loksatta dated 17th April, 1995, and Samkaleen dated 15th April, 1995, and despatch of notice convening the said meeting to individual equity shareholders AND UPON READING the report dated the 15th day of May, 1995, of Mahesh K. Shah, the Chairman of the said meeting of equity shareholders of the Transferee Company, as to the result of the said meeting AND UPON READING the affidavit of Mr. Mahesh K. Shah dated the 22nd day of May, 1995, verifying the said report AND IT appears from the said report of the Chairman of the said meeting that the proposed Scheme of Amalgamation of the Transferor Company with the Transferee Company has been approved by the equity shareholders of the Transferee Company, present and validly voting, either in person or by proxy, by a majority of not less than three fourths in value AND UPON READING the affidavit of Mr. Vilas Pandurang Unavane dated the 23rd day of January, 1996, complying with Order dated the 11th day of January, 1996, passed by this Hon'ble Court in the above Petition AND UPON HEARING Counsel Shri B.P. Chakravalla instructed by M/s. Mulla & Mulla and Counsel Blunt & Caroe, Advocates for the Transferee Company, Shri R.C. Master, Panel Counsel for the Regional

Director, Department of Company Affairs, Bombay who submits to the orders of the Court and no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the same THIS COURT DOETH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Royal Vinyls Limited, the Transferor Company with Royal Cushions Vinyl Products Limited, the Transferee Company as set forth in Exhibit "A" to the said Petition and in the Schedule hereto AND THIS COURT DOETH HEREBY DECLARE the same to be binding on the Transferor Company and its shareholders, employees, creditors as also on the Transferee Company and its shareholders, employees and creditors AND THIS COURT DOETH FURTHER ORDER that with effect from the 1st day of April, 1994, (hereafter referred to as the "Appointed Day") the entire undertaking of the Transferor Company subject to all charges, if any, then effecting the said undertaking including all its assets, property, rights and powers, specified in the Schedule hereto, and all its other assets, property, rights, and powers including all its advantages, benefits arrangements, privileges, liberties, consents, sanctions, approvals, and interest, of every kind, nature and description whatsoever, without any further act or deed be transferred to and vested in the Transferee Company pursuant to Section 394 of the Companies Act, 1956, so as to become property of the Transferee Company AND THIS COURT DOETH FURTHER ORDER that all debts, liabilities (contingent or otherwise), duties and obligations of

every description of the Transferor Company be transferred without further act or deed to the Transferee Company pursuant to the said section 394 of the Companies Act, 1956, so as to become the debts, liabilities, duties and obligations of the Transferee Company provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the Amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereon after the amalgamation has become effective or otherwise AND THIS COURT DOTH FURTHER ORDER that any legal proceedings, rights, or entitlements by or against the Transferor Company be pending and or arising on or before the Effective Day (as defined in the Scheme) the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation but the same shall be continued, prosecuted and enforced by or against the Transferee Company as the case may be in the same manner and to the same extent as it might have been continued, prosecuted or enforced by or against the Transferor Company if the Scheme herein had not been made AND THIS COURT DOTH FURTHER ORDER that in consideration of transfer and vesting of the undertaking of the Transferor Company in the Transferee Company as provided in the Scheme, the Transferee Company shall, subject to the provisions of the Scheme, without any further application, act or deed, issue and allot at par, to every equity shareholder of the

Transferor Company whose name is recorded in its Register of Members on a date ("Record Date") to be fixed by the Board of Directors of the Transferee Company, 1 (One) equity share of Rs.10/- (Rupees Ten) each credited as fully paid up in the Transferee Company for every 10 (Ten) equity shares of Rs.10/- (Rupees Ten) each fully paid up held by such shareholder in the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the Transferee Company do within a period of 30 days after the date of sealing of this Order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for Registration and on such certified copy of this Order being so delivered, the Transferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Bombay shall place all the files, documents and records relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files of both the Companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the working of the Scheme of Amalgamation sanctioned herein annexed as the Schedule hereto in the above matter AND THIS COURT DOTH LASTLY ORDER that the Transferee Company do pay a sum of Rs.500/- (Rupees Five Hundred Only), to the Regional Director, Department of Company Affairs, Bombay, towards the costs of the said Petition

witness SHRI MANHARLAL BHIKHALAL SHAH, Chief Justice at
Bombay aforesaid this 29th day of February, 1996.

By the Court

Sd/- U. G. mykadam
For Prothonotary & Senior Master

SPAI,

Sd/-

U. G. mykadam

SEALER

This 27th day of June 1996

ORDER SANCTIONING THE SCHEME OF)
AMALGAMATION under Sections 391)
to 394 of the Companies Act, 1956.)
drawn on the application by M/s.)
Mulla & Mulla and Craigie Blunt &)
Caroe, Advocates for the Petitioner)
having their office at Jehangir)
Wadia Building, 51, M.G. Road,)
Fort, Bombay 400 001.)

SCHEDULE

SCHEDULE

SCHEME OF AMALGAMATION

OF

M/s. ROYAL VINYL LIMITED

WITH

M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED

PREAMBLE

1. M/s. Royal Cushion Vinyl Products Ltd. (hereinafter referred to as "RCVP" or as "The Transferee Company") was incorporated on 21st day of November, 1983 under the Companies Act, 1956. It is carrying on the business of manufacturing and sale of Floor Coverings, Wall-Coverings and other articles made from Poly Vinylchloride and/or Polyurethane.
2. It is proposed to amalgamate M/s. Royal Vinyls Limited, having its Registered Office at Ramkrupa, 25 Parekh Street, Prarthana Samaj, Bombay - 400 004 (hereinafter referred to as "RVL" or as "The Transferor Company") with M/s. Royal Cushion Vinyl Products Limited i.e. RCVP. RVL was incorporated on 12th day of December, 1990 under the Companies Act, 1956. It proposed to set up a Unit at Savli for manufacturing PVC Calendered products.
3. The Board of Directors of RCVP & RVL have considered, in separate Board Meetings held on 5th January, 1995 the matter at depth and have come to the bonafide conclusion that the proposed amalgamation is in the best interests of both RCVP and RVL as also the

shareholders and creditors of both these Companies. In the opinion of the Board of Directors of both the Companies, the proposed amalgamation of RVL & RCVP will result in a number of advantages such as on and from 1st April 1994 (hereinafter referred to as "the appointed day"), all debts, liabilities (contingent or otherwise), duties and obligations of every kind, nature and description of RVL shall also stand transferred, without any further act or deed, to RCVP pursuant to the Provisions of Section 394 and other applicable provisions, if any, of the Act so as to become the debts liabilities, duties and obligations of RCVP. Provided Always that this scheme, shall not operate to enlarge the security for any loan, deposit or facility created by or available to RVL which shall vest in RCVP by virtue of the amalgamation and RCVP shall not be obliged to create any further or additional security therefor after the amalgamation has become effective or otherwise.

4. With effect from the Appointed Day and upto and including the Effective Day (as defined in Clause No. 13 hereinafter):-

- a) RVL shall be deemed to have carried on its business and activity for and on behalf of and for the benefit of and on account of RCVP.
- b) All the profits or income arising to RVL and or expenditure accruing or losses incurred by or arising from the

business of RVL shall, for every purpose be treated and be deemed to be and accrue as the profits or income or losses or expenditure as the case may be of RCVP.

c) As such RVL shall carry on its business and activity as an agent of RCVP and as economically, efficiently as possible, with utmost prudence and will not do anything to jeopardise the interest of RCVP and shall not create any charge or make alienation of any kind or otherwise dispose off or deal with the whole or any part of its undertaking except in the normal course of business.

5. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, approvals and other instruments of every kind to which RVL was a party shall remain in full force and shall have effect against or in favour of RCVP as the case may be as fully and effectually, as if instead of RVL, RCVP had been a party or a beneficiary thereto.

6. a) All employees of RVL in service on the date immediately preceding the Effective Date shall, subject to exercise of their options to the contrary, become the employees of RCVP on the Effective Date without any break or interruption in service and on terms and conditions not less favourable than those

- 1 -

applicable to them prior to the Effective Date.

b) It is expressly provided that as far as the existing Provident Fund and other funds created for the benefit of the employees of RVL are concerned, the name of RCVP shall stand substituted for RVL for all the purposes whatsoever relating to the administration or operation of such Scheme, and in relation to the obligation to make contribution. The powers, rights, duties and obligations of RVL in relation to such funds shall become those of RCVP. It is clarified that the services of the employees of RVL will be treated as having been continuous for the purposes of the aforesaid funds or provisions.

7. All proceedings by or against RVL relating to its undertakings, liabilities, obligations and duties pending on the Appointed Day, shall be continued and/or enforced by or against RCVP as the case may be.

8.a). As on date, the Authorised Capital of RCVP is Rs. 15,00,00,000 (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) shares of Rs. 10/- each. As on date, the issued, subscribed and paid up capital is Rs. 8,04,00,000 (Rupees Eight Crores Four Lakhs only) divided into 80,40,000 (Eighty Lakhs Forty Thousand) equity shares of Rs. 10/- each.

b). As on date, the Authorised Capital of RVL is Rs. 10,00,000/- (Rupees Ten Lakhs Only) divided into 1,00,000 (One Lakh) shares of Rs. 10/- each. The

issued subscribed and paid up capital as on date is Rs. 7,21,200- (Rupees Seven Lakhs Twenty One Thousand Two Hundred Only) divided into 72,120 (Seventy Two Thousand One Hundred Twenty Only) shares of Rs. 10/- each fully paid up.

9. Upon the Scheme of Amalgamation becoming finally effective :

i) As part of the consideration for such final transfer and vesting of the undertaking of RVL as provided in this Schemes RCVP shall, subject to the provisions of this Scheme, issue and allot at par to every Shareholder of RVL whose names shall appear on its Register of Members on such date as the Board of Directors of RCVP may determine, in respect of every 10 (Ten), equity shares of Rs. 10/- each held by him in the capital of RVL one equity share of Rs. 10/- each, credited as fully paid up, in the capital of RCVP without any further application or act or deed on his part.

ii) For the purpose of such allotment, fractional entitlements if any, shall be ignored and no fractional certificate or coupon shall be issued in favour of any shareholder of RVL but such representing all such fractional

entitlements shall be consolidated and allotted to any two nominees of RCVP upon trust to sell the shares so allotted and to distribute the net sale proceeds (less expenses) to those SHAREHOLDERS OF RVL who are entitled to such fractions in the proportion to which they are so entitled.

10. The said Equity Shares in RCVP to be issued to the Shareholders of RVL shall rank pari passu in all respects with the existing Equity Shares in RCVP and they shall be eligible, subject to Clause 14 hereof, for any dividend that may be payable or declared by RCVP for the financial year commencing from 1st April, 1994.

11. This Scheme is conditional upon and subject to:

a). Approval of and agreement to this Scheme by the requisite majority of the respective members of and such class of creditors of RVL and RCVP as may be directed by the High Court of Judicature at Bombay.

b). The approval of the High Court of Judicature at Bombay under Sections 391 and 394 of the Act and other applicable provisions, if any.

c). Requisite sanctions or approvals, if any, of the appropriate authorities

Effective Date.

b). All members of RVL whose names have been entered on its Register of Members as on the date fixed for this purpose vide para 9 above, shall surrender their respective share certificate to RCVP for cancellation. RCVP shall thereupon issue them fresh share certificates for equity shares and or make payment as contemplated in sub-Clause (ii) of Clause 9 above, to which they are entitled in terms of this Scheme of Amalgamation.

15. Upon the scheme receiving the requisite sanctions or approvals, RVL shall stand dissolved without winding up on such date as the High Court may determine in this behalf.

16. The Board of Directors of RCVP and RVL may in their absolute and uncontrolled discretion consent to any changes, amendments or modifications of or to the Scheme including to any change in the ratio of the number of shares of RCVP that will be allotted for every share of RVL; Appointed Date or to any conditions or limitations, which the Court or any other authority may suggest or stipulate as a condition to before granting approval and which may be considered necessary, desirable or appropriate by the Board of Directors.

17. For the purposes of giving effect to the scheme, the Board of Directors of RCVP are authorised specifically to give such directions as they may

concerned and/or of the Financial Institution/Banks under the loans agreements/security documents executed by RVL and RCVP, being obtained and granted in the matter/s in respect of which such sanctions or approval shall be required.

12. In the event of any of the requisite sanctions or approvals not being obtained or granted for any reason, this Scheme of amalgamation of RVL with RCVP shall become null and void.

13. This scheme, although operative from the Appointed Day, shall finally take effect only after the last of the requisite approvals or sanctions is obtained which shall be the Effective Date for the purposes of this Scheme of Amalgamation.

14. a) RVL and RCVP shall be entitled to declare and pay dividends to their respective shareholders for any period prior to the Effective Date. Such declaration shall be only out of distributable surplus earned by the respective companies during the concerned year period and no amount shall be transferred from the reserves for the purpose of payment of dividend. Dividend may be or if declared by both the Companies, and approved by the Shareholders, the shareholders of both the Companies shall, save as expressly provided otherwise in the scheme, continue to enjoy their existing rights to receive dividends from the respective Companies of which they are members till the

consider necessary or desirable to settle any questions, doubts or difficulties that may arise in the implementation or the working of the Scheme of Amalgamation, which shall be binding on all the parties concerned and do all such acts or deeds necessary for giving full effect to this Scheme of Amalgamation.

Approved by the Board of
Directors of M/s. Federal
Cushion Vinyl Products Ltd.

Approved by the Board of
Directors of M/s. Royal
Vinyls Limited and

CERTIFIED TO BE A TRUE COPY
on 9th day of July 1996

TSAPK
Notary Public & Solicitor at Law

[Signature]

[Signature]

[Signature]

9646-98
HIGH COURT

ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 328 OF 1995

CONNECTED WITH

COMPANY APPLICATION NO. 164 OF 1995
In the matter of Sections 391
to 394 of the Companies
Act, 1956;

AND

In the matter of the Scheme of
Amalgamation of Royal Vinyls
Ltd. with Royal Cushion Vinyl
Products Ltd.

Royal Cushion Vinyl
Products Ltd. ... Petitioners.

CERTIFIED COPY OF

ORDER SANCTIONING SCHEME OF
AMALGAMATION

Dated this 29th day of February 1996.

Filed this 27th day of June 1996.

Applied on 27/6/96
Engrossed on 28/6/96
Section Writer [Signature]
Folio 17 pages
Examined by [Signature]
Compared with M. L. Qadri
Ready on 9/7/96
Delivered on 9/7/96

MULLA & MULLA & CRAIGIE BLUNT & CAROE
Advocates for the Petitioners.
Jehangir Wadia Building,
51, Mahatma Gandhi Road,
Fort, Bombay-400 001.

F:\E P\AMALGAMA\ROYAL\AMORDRCV