

**SCHEME OF AMALGAMATION**

**BETWEEN**

**NATROYAL INDUSTRIES PRIVATE LIMITED**

**("TRANSFEROR COMPANY")**

**AND**

**ROYAL CUSHION VINYL PRODUCTS LIMITED**

**("TRANSFeree COMPANY")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS AND RULES FRAMED THEREUNDER**

For Royal Cushion Vinyl Products Ltd.

  
Authorised Signatory / Director

For Natroyal Industries Private Limited

  
Director / Authorised Signatory

## 1. PREAMBLE

This Scheme of Arrangement ("**Scheme**") is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder including any statutory modifications or re-enactments thereof, if any, for the amalgamation/ merger of Natroyal Industries Private Limited ("**NIPL**" or "**Transferor Company**") with and into Royal Cushion Vinyl Products Limited ("**RCVPL**" or "**Transferee Company**") and their respective shareholders and other ancillary and incidental matters thereto.

## 2. BACKGROUND OF THE COMPANIES

### 2.1. Royal Cushion Vinyl Products Limited ("**RCVPL**" or "**Transferee Company**")

2.1.1. The Transferee Company was incorporated on 21<sup>st</sup> November, 1983 under the provisions of the Companies Act, 1956 as a Private Limited Company in the State of Maharashtra under the name and style of "Royal Cushion Vinyl Products Private Limited". Subsequently, in terms of special resolution passed by the members of the Transferee Company in its Extra Ordinary General Meeting ("**EGM**") held on 21<sup>st</sup> September, 1992 and upon approval granted by the Registrar of Companies, Maharashtra on 18<sup>th</sup> January, 1993, the Transferee Company was converted into a Public Limited Company and pursuant thereto, its name was changed to "Royal Cushion Vinyl Products Limited". The Corporate Identity Number of the Transferee Company is L24110MH1983PLC031395.

2.1.2. The registered office of the Transferee Company is situated at 60CD, "Shlok" Government Industrial Estate Charkop, Kandivali(W), Mumbai – 400067, Maharashtra India.

2.1.3. The Transferee Company is primarily engaged in manufacturing and supplying of PVC floor covering, PVC sheets and PVC leathercloths. The main objects as set out in the Memorandum of Association is as under:

*1. "To manufacture and sell floor coverings, wall coverings and other articles made from Poly Vinyl Chloride and/ or Polyurethane."*

2.1.4. The equity shares of RCVPL are listed on BSE Limited.

### 2.2. Natroyal Industries Private Limited ("**NIPL**" or "**Transferor Company**")

2.2.1. The Transferor Company was incorporated on 20<sup>th</sup> September, 1989 under the provisions of the Companies Act, 1956 as a Private Limited in the state of Maharashtra under the name and style of "Vijayjyot Seats Private Limited". Subsequently, the name of the Transferor Company was changed to its present name of "Natroyal Industries Private Limited" by a special resolution passed by the members of the Transferor Company in the EGM held on 10<sup>th</sup> February, 2014. The Corporate Identity Number of

For Royal Cushion Vinyl Products Ltd.

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For Natroyal Industries Private Limited

Director / Authorised Signatory

the Transferor Company is U74210MH1989PTC053554. NIPL is an entity related to the promoter and promoter group of RCVPL and as such, a related party of RCVPL.

2.2.2. The registered office of the Transferor Company is situated at 60CD, "Shlok" Government Industrial Estate, Charkop, Kandivali(W), Mumbai - 400067, Maharashtra India.

2.2.3. The Transferor Company is primarily engaged in the business of manufacturing of seating components, coated textile fabrics, knitted fabrics and trading of PVC Vinyl Flooring/ chemical items. Currently, the main object as set out in the Memorandum of Association is as under:

*1. "To carry on the business of manufacture, assemblers, fabricators, engineers, consultants, technicians, buyers, sellers, agents or otherwise dealers in all ins of seating systems, furnishings, equipments and requisites of all kind and also to manufacture, sell or otherwise deal in Polymer product of various kinds and forms including Polyvinyl chloride/ Poly Urethane films, sheets, coated articles like leathercloth, floor coverings, wall coverings, knitted and other fabrics of all types and articles made therefrom.*

2.2.4. The securities of the Transferor Company are not listed on any stock exchange in India or abroad.

### **3. RATIONALE OF THIS SCHEME**

3.1. The Transferor Company is engaged in the business of manufacturing of seating components, coated textile fabrics, knitted fabrics and trading of PVC Vinyl Flooring/chemical items. The Transferee Company is engaged in the business of manufacturing and supplying PVC floor covering, PVC sheets and PVC leathercloth. Both the Companies are in a related line of business activities and are held by the same controlling shareholders group.

3.2. The Scheme will enable the Transferee Company to position itself as a larger and competitive organisation by pooling of various resources including human resources, finance, capital base, manufacturing facilities, operational and management capabilities etc. thereby enabling accelerated growth and development of the combined businesses.

3.3. The Scheme provides an opportunity to help the Transferor Company and the Transferee Company in achieving efficiency and synergy in operations by combining the business of the Transferor Company with the Transferee Company, which will result into better and more productive utilization of various resources and economies of scale including reduction in overhead expenses relating to administration, operations and management of the businesses.

3.4. The Scheme will enable the companies concerned to rationalize and streamline their management business and finances and to eliminate duplication of work to their common advantages.

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- 3.5. Thus, with an intent to achieve aforesaid objectives and further in order to consolidate, streamline and effectively merge the Transferor Company and the Transferee Company in a single entity it is intended that the Transferor Company be merged/amalgamated with the Transferee Company.
- 3.6. In view of the aforesaid objectives, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the Undertaking of the Transferor Company (as defined hereunder) and business of the Transferor Company with and into the Transferee Company and other ancillary and incidental matters stated herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.
- 3.7. The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the IT Act (as defined hereunder), including Section 2(1B) thereof or any amendments thereto.

#### 4. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

**Part I** deals with Definitions, Interpretation and Share Capital;

**Part II** deals with the Amalgamation of the Transferor Company with the Transferee Company; and

**Part III** deals with the General Terms and Conditions and other matters consequential to and integrally connected with the Scheme.

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## PART I – DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

### 5. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 5.1. **“Act”** means the Companies Act, 2013, save and except for any provisions yet to be notified, in respect of which the corresponding provisions of the Companies Act, 1956 shall be applicable to the extent the same are yet in force and operative and includes rules, regulations, notifications, circulars and clarifications issued thereunder. References in this Scheme to particular provisions of the Act, are references to particular provisions of the Companies Act, 2013, unless stated otherwise.
- 5.2. **“Applicable Laws”** means any statute, notification, bye laws, rules, regulations, guidelines, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any Appropriate Authority in India including any modifications or re-enactment thereof for the time being in force.
- 5.3. **“Appointed Date”** means the opening business hours of 1<sup>st</sup> April 2024 or such other date as the Hon'ble NCLT may allow or direct and which is acceptable to the Board of Directors of the Transferor Company and the Transferee Company.
- 5.4. **“Appropriate Authority”** means any applicable Central, State or Local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Official Liquidators, Regional Directors, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, courts and other government and regulatory authorities of India.
- 5.5. **“Board of Directors” or “Board”** means the respective Board of Directors of the Transferor Company and/or the Transferee Company, as the case may be, and shall include any committee of directors constituted or appointed and authorized for the purposes of matters pertaining to this Scheme and or any other matter relating thereto.
- 5.6. **“Effective Date”** means the last of the dates on which all the conditions as referred to in Clause 23 of the Scheme has been complied with, including filing of certified copy of the order, sanctioning this Scheme, passed by the Hon'ble NCLT with the Registrar of Companies by the Transferor Company and the Transferee Company collectively. Any references in this Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date.

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- 5.7. **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "encumber" or "encumbered" shall be construed accordingly
- 5.8. **"Intellectual Property Rights"** means and includes patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, dossiers, marketing authorizations, copy-rights, domain name rights and any other intellectual property rights and rights of a similar and corresponding nature in any part of the world whether registered or not and whether capable of registration or not.
- 5.9. **"IT Act"** means the Income-tax Act, 1961, as may be amended or supplemented from time to time (and any successor provisions of law), Including any statutory modifications or reenactments thereof together with all applicable bye-laws, rules, regulations, orders, ordinances, directions including circulars and notifications and similar legal enactments, in each case issued under the Income-tax Act, 1961.
- 5.10. **"NCLT"** means the Hon'ble National Company Law Tribunal, Mumbai bench having jurisdiction in relation to the Transferor Company and the Transferee Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of National Company Law Tribunal to sanction the Scheme under the Act
- 5.11. **"Record Date"** means the date to be fixed by the Board of Directors of the Transferor Company in consultation with the Board of Directors of the Transferee Company for the purpose of determining the names of the shareholders of the Transferor Company who shall be entitled to receive the shares of the Transferee Company, pursuant to the Scheme.
- 5.12. **"Registrar of Companies" or "RoC"** means the Registrar of Companies, Mumbai, Maharashtra
- 5.13. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made hereunder in this Scheme as approved or directed by the Hon'ble NCLT and which is acceptable to the Board of Directors of the Transferor Company and the Transferee Company.
- 5.14. **"SEBI"** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- 5.15. **"SEBI Scheme Circular"** means the master circular in relation to scheme of arrangement issued by SEBI having No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 covering all circulars issued by SEBI in relation to scheme of arrangement Including any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR"**).

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- 5.16. **"Stock Exchange"** means the BSE Limited
- 5.17. **"Transferee Company"** or **"RCVPL"** means as provided under Clause 2.1 of the Scheme
- 5.18. **"Transferor Company"** or **"NIPL"** means as provided under Clause 2.2 of the Scheme
- 5.19. **"Undertaking of the Transferor Company"** means the entire business and whole of the undertaking of the Transferor Company as a going concern with all Its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:
- 5.19.1. All the assets and properties (whether movable or Immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or Incorporeal, present, future or contingent) of the Transferor Company whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and Intangible assets, stock in trade, capital work in progress, sundry debtors, furniture, fixtures, Interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (Including shares, scripts, subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Company, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of Intent, expressions of Interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other Interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Company employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the

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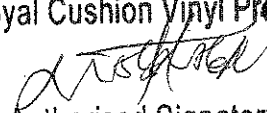
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Director / Authorised Signatory

Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in India or abroad and whether or not recorded in the books of accounts;

- 5.19.2. All agreements, rights, contracts, entitlements, licenses, permits, permissions, Incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations;
- 5.19.3. All Intellectual Property Rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programs, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company;
- 5.19.4. Amounts claimed by the Transferor Company whether or not so recorded in the books of accounts of the Transferor Company from any Appropriate Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment
- 5.19.5. Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the IT Act, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;
- 5.19.6. All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue

For Royal Cushion Vinyl Products Ltd.

  
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of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;

5.19.7. All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, if any, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

5.19.8. All permanent and temporary employees engaged by the Transferor Company, if any.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 6. SHARE CAPITAL

6.1. The share capital structure of the Transferee Company as on 31<sup>st</sup> December 2024 is as under:

Particulars	Amount (INR)
<b>Authorised Capital</b>	
5,00,00,000 Equity shares of Rs. 10 each	50,00,00,000
<b>Total Authorised Capital</b>	<b>50,00,00,000</b>
<b>Issued, subscribed and, paid-up Share Capital</b>	
3,65,88,462 Equity shares of Rs. 10 each fully paid up	36,58,84,620
<b>Total</b>	<b>36,58,84,620</b>

As on the date of approval of the Scheme by the Board of Directors of the Transferee Company, there is no change in the authorised, issued, subscribed, and paid-up share capital of Transferee Company.

6.2. The share capital structure of the Transferor Company as on 31<sup>st</sup> December 2024 is as under:

For Royal Cushion Vinyl Products Ltd.

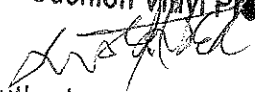
  
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Particulars	Amount (INR)
<b>Authorised Capital</b>	
10,90,000 Equity shares of Rs. 100 /- each	10,90,00,000
<b>Total</b>	<b>10,90,00,000</b>
<b>Issued, subscribed and, paid-up Share Capital</b>	
7,22,170 Equity shares of Rs. 100 /- each fully paid up	7,22,17,000
<b>Total</b>	<b>7,22,17,000</b>

As on the date of approval of the Scheme by the Board of Directors of the Transferor Company, there is no change in the authorised, issued, subscribed, and paid-up share capital of Transferor Company.

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**PART II – AMALGAMATION OF TRANSFEROR COMPANY WITH THE  
TRANSFeree COMPANY**

**7. TRANSFER AND VESTING OF UNDERTAKING**

- 7.1. **General:** Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, If any, the Undertaking of the Transferor Company shall, without any further act, Instrument or deed, be and shall stand transferred to and/or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable. Notwithstanding anything contained in this Scheme, the provisions of this Scheme and all clauses hereunder shall be given effect to from the Appointed Date.
- 7.2. **Transfer of Assets:** Without prejudice to the generality of Clause 7.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- 7.2.1. All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act. 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 in order to give effect to the provisions of this Clause.
- 7.2.2. In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company In pursuance of the provisions of Sections 230 to 232 and other applicable provisions of the Act.
- 7.2.3. In respect of movables, other than those dealt with in Clause 7.2.2 above, of the Transferor Company including the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any

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company or other person, the same shall, without any further act, instrument or deed, on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

7.2.4. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company Including in relation to the Undertaking of the Transferor Company, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, Issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

7.2.5. The transfer as aforesaid shall be subject to charges/hypothecations/mortgages over the assets or any part thereof provided, however, that any reference in any security document or any arrangements to which the Transferor Company is a party, to the assets or properties of the Transferor Company offered as security for any financial assistance or obligations to the secured creditor/s of the Transferor Company or third parties, shall be construed only to be to the respective assets or properties pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of this Clause to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend to any assets or any other units or divisions of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditor/s and subject to consents and approvals of the existing secured creditors of the Transferee Company, if any. This Scheme shall not operate to enlarge / enhance any security created by the Transferor Company in favour of any lender or third party

7.3. **Transfer of Liabilities:** Without prejudice to the generality of Clause 7.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

For Royal Cushion Vinyl Products Ltd.


  
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- 7.3.1. All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertaking of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (**the "Liabilities"**) shall, without any further act, Instrument or deed, be and shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 7.3.2. Without prejudice to the foregoing provisions of this Clause, upon the coming into effect of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), if any, shall pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested.
- 7.3.3. Where any of the debts, liabilities, loans raised and used, liabilities and obligations Incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company under this Scheme, have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 7.3.4. All loans raised or used and all abilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking of the transferor Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date shall a without any further deal or instrument, be and stand

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deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which that meet, discharge and satisfy the same.

- 7.4. The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower, as the case may be, that pursuant to the Scheme becoming effective, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- 7.5. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the Scheme becoming effective, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.
- 7.6. The transfer and vesting of the assets comprised in the Undertaking of the Transferor Company to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, deed or instrument, 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. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance, if any, referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances, if any, shall not relate or attach to any of the other assets of the Transferor or the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 7.7. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute such instruments or documents or do all such acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
- 7.8. It is expressly provided that no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 7.9. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 7 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

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14

- 7.10. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that all such acts, deeds and things made, done and executed by the transferor Company are made, done and executed by or on behalf of the Transferee Company, unless the Board of Directors of the Transferee Company specifically objects rebuts or negates any such acts, deeds or things for a reasonable and justifiable cause.
- 7.11. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Schema have been formally given effect to under such contracts and transactions.
- 7.12. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date until such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable Instruments, payment orders received or presented for encashment which are 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, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain banks accounts in the name of Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of the Scheme.
- 7.13. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that if any assets (including estates, claims, rights, entitlements, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, permissions, authorisations, schemes, arrangements or other instruments of whatsoever nature which belongs to the Transferor Company or to which any of the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferee Company shall hold such assets or be entitled to all the rights, powers or

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15  
  
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interests in such instruments in trust in the name of the Transferor Company for its benefit in terms of this Scheme, in so far as it is permissible so to do, till such time the formal transfer is effected.

## **8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 8.1. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of as the case may be, 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 of obligee thereto or there under.
- 8.2. The Transferee Company at any time after the Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise with deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company is a party, in order to give formal effect to the provisions of the Scheme. 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 behalf of the Transferor Company.

## **9. STAFF, WORKMEN & EMPLOYEES**

- 9.1. Upon the coming into effect of this Scheme, all employees of the Transferor Company shall, become the employees of the Transferee Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Company shall be taken into account from the date of their appointment with the Transferor Company and such benefits to which the employees are entitled in the Transferor Company shall also be taken into account and paid (as and when payable) by the Transferee Company.
- 9.2. In so far as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its employees or to which the Transferor Company is contributing for the benefit of its employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the employees (Including the aggregate of all the contributions made to such Funds for the benefit of the employees, accretions thereto and the Investments made by the Funds in relation to the employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions, and at the discretion of the Transferee Company, be merged with the relevant funds of

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the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Transferee Company.

- 9.3. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company, shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

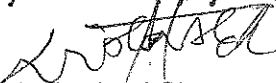
## **10. LEGAL PROCEEDINGS**

- 10.1. If any suit appeal or other legal proceedings of whatsoever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any may be prejudicially affected by reason of the merger of the Transferor Company with the Transferee Company and by anything contained this Scheme, but the said suit, appeal or other 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.
- 10.2. The Transferee Company undertakes to have all legal or other proceedings Initiated by or against the Transferor Company referred to in Clause 10.1 above transferred into Its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.

## **11. TAXES**

- 11.1. This Scheme has been drawn up to comply with the conditions relating to "**Amalgamation**" as specified in Section 2(1B) and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be Inconsistent with the provisions of the said section and other related provisions of the IT Act at a later date including that resulting from a retrospective amendment of law or for any other reason whatsoever till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the IT Act shall prevail and the Scheme shall stand modified, unless the Board of Directors decide otherwise, to the extent required to comply with Section 2(1B) and other relevant provisions of the IT Act.
- 11.2. Any tax liabilities under the IT Act, Goods and Service Tax Laws, Excise Duty Laws, Service Tax Laws, applicable State Value Added Tax Laws or other applicable laws/regulations (hereinafter referred to as "**Tax Laws**") dealing with taxes/duties/levies allocable or related to the business of the Transferor Company to the

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17  
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extent not provided for or covered by tax provision in the accounts made as on the date Immediately preceding the Appointed Date shall stand transferred to the Transferee Company. Any refund 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.

- 11.3. All taxes under the Tax Laws paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, good and service tax, excise duty, service tax, applicable state Value Added Tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 11.4. Without prejudice to the generality of the above, all benefits including under the income tax, good and service tax, excise duty, service tax, applicable State Value Added Tax Laws etc, to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.
- 11.5. The Transferee Company shall be entitled to file/revise its income-tax returns. TDS returns, TDS certificates and other statutory returns, required, and shall have the right to claim refunds, advance tax credits, credits of all taxes paid/ withheld, if any as may be required, consequent to implementation of this Scheme.

## 12. CONSIDERATION

- 12.1. Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Undertaking of the Transferor Company from the Transferor Company to the Transferee Company In terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot to every member of the Transferor Company holding fully paid-up equity shares in the Transferor Company, and whose names appear in the Register of Members of the Transferor Company on the Record Date or to such of their respective heirs, executors, administrators, or the successors In-title, in the following manner:

*61 (Sixty One) equity shares of face value of INR 10/- (Indian Rupees Ten Only) each of the Transferee Company, for every 1 (One) fully paid-up equity shares of face value of INR 100/- (Indian Rupees One Hundred Only) each of the Transferor Company. ("Share Entitlement Ratio").*

The equity shares issued by the Transferee Company pursuant to this Clause 12.1 are hereinafter referred to as "**RCVPL New Shares**".

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- 12.2. If any eligible shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of RCVPL New Shares of the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 12.1 above, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated equity shares, as the case may be, to a trustee nominated by the Transferee Company (the "**Trustee**"), who shall hold such equity shares by the Transferor Company, as the case may be, with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.
- 12.3. The RCVPL New Shares to be issued and allotted by the Transferee Company in terms hereof will be subject to the Memorandum and Articles of Association of Transferee Company and Applicable Laws
- 12.4. RCVPL New Shares to be issued and allotted by the Transferee Company pursuant to the Scheme shall rank pari passu with the existing equity shares of the Transferee Company in all respects including dividends, if any, that may be declared by the Transferee Company on or after the Scheme becoming effective, as the case may be, and shall be listed and admitted for trading on the Stock Exchange by virtue of the Scheme.
- 12.5. The issue and allotment of RCVPL New Shares by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Hon'ble NCLT without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with it is clarified that the approval of the members of the Transferee Company and/or the Transferor Company to this scheme, shall be deemed to be their consent/approval for the issue and allotment of the RCVPL Shares
- 12.6. RCVPL New Shares to be issued by the Transferee Company pursuant to this Scheme shall be issued in dematerialized form. If the Transferee Company is unable to allot RCVPL New Shares to any shareholder in dematerialized form due to any reason whatsoever (including non-receipt of relevant information/ details from shareholders currently holding shares in physical form), the Transferee Company shall issue such RCVPL New Shares in trust in a separate escrow/suspense account to be maintained by the Transferee Company for the benefit of such shareholders. Such RCVPL New Shares will be dealt with in accordance with the Applicable Laws and as the Board of Directors of the Transferee Company deems fit.

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Page 29 of 840

For Natroyal Industries Private Limited

19



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- 12.7. In the event the Transferee Company or the Transferor Company restructure their respective share capital by way of (i) consolidation or sub-division or splitting up of shares, (ii) issue of bonus shares, or (iii) any other form of restructuring of share capital, without any consideration and which affects the value per share before and after such restructuring, during the pendency of the Scheme, the Share Entitlement Ratio set out In Clause 12.1 shall be adjusted accordingly to consider the effect of such capital restructuring event without requirement of any further approval from the Appropriate Authority.
- 12.8. RCVPL New Shares issued in terms of Clause 12.1 above shall pursuant to the SEBI Circular and in accordance with compliance of requisite for under Applicable Laws, be listed and/ or admitted to trading on Stock Exchanges where the existing equity shares of the Transferee Company are listed and/ or admitted to trading in accordance with the compliance with requisite formalities under Applicable Laws. The Transferee Company shall enter into such agreement/ arrangement and give confirmations and/ or undertakings as may be necessary in accordance with the Applicable Laws or regulations for complying with the formalities of the Stock Exchange.
- 12.9. RCVPL New Shares issued in terms of Clause 12.1 above shall remain frozen in the depositories system till listing/ trading permission is given by the designated Stock Exchange.
- 12.10. Approval of the Scheme by the shareholders of Transferee Company shall be deemed to be in due compliance of the provisions of section 42, 62 and other applicable provisions of the Act and Rules made thereunder, the SEBI LODR Regulations, SEBI ICDR Regulations and the Articles of Association of the Transferee Company, and no other consent shall be required under the Act or the Articles of Association of the Transferee Company for the issue and allotment of the equity shares by Transferee Company to the shareholders of Transferor Companies as provided hereinabove.
- 12.11. The approval of this Scheme by the equity shareholders of all the companies under Sections 230 to 232 of the Act shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

### 13. ACCOUNTING TREATMENT

- 13.1. Upon the effectiveness of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for the merger/amalgamation in its books as per applicable accounting principles prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 read with relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India.
- 13.2. The Transferee Company shall upon the Scheme coming into effect and with effect from the Appointed Date, record all the assets, liabilities and reserves, if any, of the

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Transferor Company vested in it pursuant to this Scheme at the respective book values thereof appearing in the books of the Transferor Company.

- 13.3. The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the same values as they appear in the financial statements of the Transferor Company.
- 13.4. The difference, if any, between the amount recorded as total share capital issued by the Transferee Company (viz. aggregate face value of RCVPL New Shares issued in terms of Clause 12.1 above) and the amount of share capital of the Transferor Company shall be transferred to capital reserve i.e. debited or credited, as the case may be) and such capital reserve shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- 13.5. Pursuant to the Scheme, the inter-company transactions and balances between the Transferee Company and the Transferor Company, if any, shall stand cancelled and there shall be no further obligation in that behalf.
- 13.6. The Transferee Company shall pass such further accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

#### **14. DATE OF TAKING EFFECT AND OPERATING DATE**

The Scheme as set out herein in its present form, or with any modification(s) or amendment(s) approved, Imposed or directed by the Hon'ble NCLT or any other Appropriate Authority and acceptable to the Board of Directors of the Transferee Company, shall be effective from the Appointed Date, as defined in Section 232(6) of the Act, but shall be operative from the Effective Date.

#### **15. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

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

- 15.1. The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Transferee Company.
- 15.2. All profits and cash accruing to or losses arising or incurred (Including the effect of taxes, if any thereon), by the Transferor Company, shall for all purposes, be treated as the profits/cash, taxes or losses of the Transferee Company.

#### **16. CHANGES IN THE MEMORANDUM OF ASSOCIATION ("MOA") AND ARTICLES OF ASSOCIATION ("AOA") OF THE TRANSFEE COMPANY**

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21

16.1. Upon this Scheme becoming effective, the relevant clauses of the Memorandum of Association and Articles of Association of the Transferee Company shall, without any further act, Instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 232(3)(1) respectively of the Act and/or any other applicable provisions of the Act, as the case may be, for the following matters:

16.1.1. The main object clause, as appearing in the Memorandum of Association of the Transferee Company shall stand modified and replaced as under:

*"IA. To undertake manufacturing, production, processing, research and development, innovation, assembly, supplying, marketing, promoting, distribution, trading, dealing, Import, export, wholesale and/or retail trade of off varieties, characteristics, descriptions, applications, usage and kinds of floor coverings, wall coverings, other coverings and other articles or products made from plastic goods/Paly Vinyl Chloride (PVC) and/or Polyurethane (PU) products and materials.*

*IB. To undertake manufacturing, production, processing, research and development, Innovation, assembly, supplying, marketing, promoting, distribution, trading, dealing, Import, export, wholesale and/or retail trade of all varieties, characteristics, descriptions, applications, usage, form and kinds of Polymer products including Polyvinyl Chloride/Poly Urethane films, sheets, coated articles like leathercloth, floor coverings, wall coverings, knitted and other fabrics of all types and articles made therefrom.*

*IC. To carry on the business as manufacturers, producers, suppliers, assemblers, fabricators, engineers, consultants, technicians, innovators, incubators, distributors, retailers, traders, wholesalers, buyers, sellers, agents or otherwise dealers in all kinds of seating systems, components, furnishings, equipments and other ancillary products of all applications, varieties, characteristics, descriptions, applications, usage and kinds."*

**17. RE-ORGANISATION AND COMBINATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

17.1. Upon the Scheme becoming effective and as an integral part thereof, the authorised share capital of the Transferor Company shall be merged with the authorised share capital of the Transferee Company. Consequently, to align with the face value of equity shares of the Transferee Company, each equity shares of INR 100/- each of the Transferor Company shall be reclassified and adjusted into equity shares of INR 10/- each in the Transferee Company, in such a manner that the aggregate value of the authorised share capital remains unchanged.

17.2. The existing authorised share capital of the Transferor Company of INR 10,90,00,000/- (Indian Rupees Ten Crores and Ninety Lakhs only) or such increased authorised share

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22

capital of the Transferor Company, as may be prevailing on the Effective Date, shall stand aggregated, consolidated and added with the authorised equity share capital of the Transferee Company. Accordingly, the authorised equity share capital of the Transferee Company shall stand increased to that extent without any further act, instrument or deed on the part of the Transferee Company, including without any payment of stamp duty and any fees or charges payable to the Registrar of Companies, and/or to any other Appropriate Authority, Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increase/reclassification of authorised share capital of the Transferee Company and no extra stamp duty and/or fees shall be required to be paid by the Transferee Company for increase/reclassification in the authorised share capital to that extent.

- 17.3. It is clarified that approval of this Scheme by the members of the Transferee Company under Sections 230 to 232 of the Act shall be deemed be sufficient for the alternation of the Memorandum and Articles of Association of the Transferee Company under Sections 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 17.4. The Transferee Company shall file with the ROC, all requisite forms and complete the compliance and procedural requirements under the Act for the aforementioned changes, if any.

#### 18. CHANGE OF NAME OF THE TRANSFEE COMPANY

- 18.1. The name of the Transferee Company shall stand changed to "**Natroyal Industries Limited**" or such other name which is available and approved by the Registrar of Companies, by simply filing the requisite forms with the Appropriate Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act. Consequently, Clause I of the Memorandum of Association of the Transferee Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following clause:

*"The name of the Company is Natroyal Industries Limited".*

- 18.2. The approval and consent of this scheme by the shareholders of the Transferee Company shall be deemed to be the approval of shareholders by way of special resolution under section 13 of the Companies Act, 2013 for change of name of the Transferee Company as contemplated herein and shall be deemed to be sufficient for the purpose of effecting the amendments in the memorandum of association and articles of association of the Transferee Company in relation to the change of name of the Transferee Company in accordance with provisions of the Companies Act, 2013. The sanction of this scheme by the NCLT shall be deemed and no further resolution(s) would be required to be separately passed to be complying with the provisions of the Companies Act, 2013, for the purpose of effecting the change in name of the Transferee Company.

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Director / Authorised Signatory

- 18.3. The Board of Directors and the shareholders of the Transferor Company shall not have any objection to the adoption and use of the name "Natroyal Industries Limited" by the Transferee Company pursuant to the scheme.
- 18.4. The Transferee Company shall file with the ROC, all requisite forms and complete the compliance and procedural requirements under the Act for the aforementioned change, if any.

**19. DISSOLUTION OF THE TRANSFEROR COMPANY**

Upon the Scheme being sanctioned by an Order made by the Hon'ble NCLT under Sections 230 to 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Effective Date.

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### **PART III – GENERAL TERMS AND CONDITIONS**

#### **20. APPLICATION(S) TO NCLT**

The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications/petitions, under Sections 230 to 232 and other applicable provisions of the Act to the Hon'ble NCLT for sanctioning this Scheme.

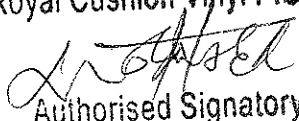
#### **21. DIVIDENDS**

- 21.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by mutual consent of the concerned parties.
- 21.2. 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 shareholder of the Transferor Company and the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be at the discretion of the respective Board of Transferor and Transferee Company, and subject to approval, if required, of the shareholders of the Transferor Company and Transferee Company respectively.

#### **22. MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

- 22.1. Subject to approval of the Hon'ble NCLT, the Transferor Company and/or the Transferee Company, through their respective Board of Directors, may consent, on behalf of all persons concerned, to any modifications/amendments to the Scheme or to any conditions or limitations that the Hon'ble NCLT may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them [i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 22.2. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferee Company may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.
- 22.3. In the event of any of the conditions Imposed by the Hon'ble NCLT or other Appropriate Authorities, which the Transferor Company and/or the Transferee Company may find unacceptable for any reason, in whole or in part, then the Transferor Company and/or the Transferee Company are at liberty to withdraw Scheme.

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## **23. CONDITIONALITY OF THE SCHEME**

- 23.1. Unless otherwise determined by the Board of Directors of the Transferor Company and the Transferee Company, the Scheme is conditional upon and subject to the following conditions precedent:
- 23.1.1. Obtaining no-objection letter from the Stock Exchange, where the equity shares of the Transferee Company are listed, in relation to the Scheme under Regulation 37 and other applicable regulations of the SEBI LODR.
  - 23.1.2. Approval of the Scheme by the requisite majority of the respective members and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act, or dispensing the meetings, as may be directed by the Hon'ble NCLT.
  - 23.1.3. Compliance with the other provisions of the SEBI Scheme Circular, including seeking approval of the shareholders of the Transferee Company through e-voting, as applicable and that the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company are more than the vote cast by the public shareholders against It, as and if required by the SEBI Scheme Circular at the relevant time of obtaining shareholders' approval.
  - 23.1.4. Sanction of the Scheme by Hon'ble NCLT under Sections 230 to 232 of the Act in favour of the Transferor Company and Transferee Company, as the case may be, under the said provisions and to the necessary order sanctioning the Scheme being obtained.
  - 23.1.5. Certified copy of the order of the Hon'ble NCLT sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai, collectively by Transferor Company and Transferee Company either by way of filing required e-forms with Ministry of Corporate Affairs portal or otherwise.
  - 23.1.6. Receipt of any other consents, approvals, permissions, no-objection, resolutions, sanctions and/or orders from Appropriate Authority or from any other party, if and as applicable for coming into effect of the Scheme.
- 23.2. The decision of the Board of Directors of the Transferor Company and the Transferee Company with respect to approval and/or filing whether required or not with the NCLT and/or any other Appropriate Authority shall be final and binding.

## **24. EFFECT OF NON-RECEIPT OF APPROVAL**

- 24.1. In the event any of the said approvals or sanctions referred to in Clause 23 above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give

For Royal Cushion Vinyl Products Ltd.

Authorised Signatory / Director

For Natroyal Industries Private Limited

Director / Authorised Signatory

effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

- 24.2. It is hereby clarified that submission of this Scheme to the Hon'ble NCLT and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title or defences that the Transferor Company or the Transferee Company may have under or pursuant to all Applicable Laws.
- 24.3. The Boards of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Company and/or the Transferee Company.

**25. BINDING EFFECT**

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all the concerned parties without any further act, deed, matter or thing.

**26. SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to any decision of the Transferor Company and the Transferee Company to the contrary, affect the validity or implementation of the other parts and/or provisions of this Scheme.

**27. COST, CHARGES AND EXPENSES**

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

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For Royal Cushion Vinyl Products Ltd.

  
Authorised Signatory / Director

For Natroyal Industries Private Limited

  
Director / Authorised Signatory