

ROYAL CUSHION VINYL PRODUCTS LIMITED

Registered Office: 60 CD, SHLOK, Govt. Industrial Estate, Charkop, Kandivali West Mumbai – 400067

CIN: L24110MH1983PLC031395, Tel.: +91 22 28603514, 28693514

Website : www.rcvp.in, E-mail: legalho1983@gmail.com

NOTICE OF POSTAL BALLOT AND E-VOTING

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH RULE 20 AND RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

Dear Members,

Notice is given pursuant to provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time, seeking approval of the members of Royal Cushion Vinyl Products Limited (“**Company**”) on the below appended resolutions by means of Postal Ballot including an option to vote through remote electronic voting (e-voting).

The Explanatory Statement, pursuant to Section 102 of the Act and other applicable provisions, pertaining to the said Resolutions setting out the material facts concerning the item and the reasons thereof is annexed hereto along with a Postal Ballot Form (the “Form”) for your consideration. The Postal Ballot Notice along with the Postal Ballot Form is also available on the website of the Company at www.rcvp.in.

The Company has engaged its Registrar and Share Transfer Agent namely Universal Capital Securities Private Limited (formally known as ‘Mondkar Computers Private Limited’) to provide remote e-voting (“**e-voting**”) facility to the shareholders of the Company.

The members can opt for only one mode of voting i.e. either by physical ballot form or through e-voting. In case the members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical ballot form will be treated as invalid. Members desiring to opt for e-voting as per the facilities provided by the Company are required to read the instructions in the Notes under the Section “Instructions for e-voting”.

The Board of Directors (‘Board’) has appointed Mrs. Padma Loya, Practicing Company Secretaries of M/s. Loya & Associates as the Scrutinizer for conducting the Postal Ballot /e-voting process in a fair and transparent manner. The scrutinizer will submit her report to the Chairperson or any other person authorized by the Chairperson after completion of the scrutiny of the postal ballots (including e-voting). The results of the postal ballot and e-voting will be announced 24.02.2020 and will be displayed at the Registered Office of the Company, besides being communicated to BSE Limited and on the Company’s website at www.rcvp.in.

As per Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (“Rules”), the consent of the Company’s shareholders for the above purpose is required to be obtained by means of a postal ballot. Accordingly, the said Special Resolutions and the Explanatory Statement is being sent to you along with the Postal Ballot Form for your kind consideration.

Rule 22 of the Companies (Management and Administration) Rules, 2014, specify that any consent or otherwise received after thirty days from the date of dispatch of this notice shall be treated as invalid, if the reply from the member has not been received. Practically, viewing the time frame of counting thirty days from the date of dispatch of this notice, it would be advisable to mail your Form latest by 22.02.2020. You are requested to carefully read the instructions printed on the accompanying Form, record your assent (for) or dissent (against) therein and return the same in original duly completed in the attached self-addressed, pre-paid postage envelope (if posted in India) so as to reach the Scrutinizer not later than 5:00 p.m. on 22.02.2020 to be eligible for being considered, failing which, it will be considered that no reply has been received from the Member. The Resolution will be deemed to have been passed on the date of declaration of the results of the postal ballot, if approved by the requisite majority.

SPECIAL BUSINESS:

1. Approval for the Sale / Transfer / Disposal of the surplus land parcels of the Company:

To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT, in continuation of the approval obtained at the 35th Annual General Meeting of the Company and pursuant to the provisions of Sections 180(1)(a), 188 read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Management and Administration) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI LODR Regulations”), the provisions of the Memorandum and Articles of Association of the Company, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / disposal of its surplus land parcels admeasuring 60 acres along with building admeasuring 2,00,000 sq. ft. situated at Plot No. 55, 68 & 37P at Village Garadhia, Taluka Savli, Dist Vadodara, Gujarat, India (“Undertaking”) to Royal Spinwell Private Limited (RSPL) (CIN: U17120MH1991PTC062262) a related party of the Company, either as a whole or in part, together with all specified tangible and intangible assets, with or without its underlying liabilities, contracts, permissions and consents, rights, registrations, in relation to the Undertaking, at a consideration which may be in cash or in kind as the Board may deem fit in the interest of the Company, which shall not be less than INR 25,00,00,000/- (Rupees Twenty Five Crores Only) subject to certain adjustments in case of partial disposal, as agreed between the parties in terms of the definitive agreements as may be entered into between the Company and RSPL.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalize and execute necessary documents including but not limited to definitive Agreements or deeds of sale / conveyance or any other ancillary documents, in such manner as may be decided by the Board, authorize any officer of the Company to appear for registration of such sale deed and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale / transfer / disposal of the Undertaking as they may in their absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company to execute any documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

2. Approval for mortgage, lease, provide charge or otherwise provide as a security of immovable property and/or corporate guarantee in favour of the lenders / bankers of Natroyal Industries Private Limited:

To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT in continuation of the approval obtained at 34th Annual General Meeting in respect of the sale / transfer / lease etc. of immovable property situated at 319 & 320 Baska, Halol, Gujarat (“Undertaking”) and pursuant to the provisions of Section 180(1)(a), 185, 186, 188 read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Management and Administration) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI LODR Regulations”), the provisions of the Memorandum and Articles of Association of the Company, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to mortgage, lease, provide charge or otherwise provide as a security of its Undertaking and / or give the corporate guarantee in favour of the lenders / bankers of Natroyal Industries Private Limited (CIN: U74210MH1989PTC053554), a related party of the Company, either as a whole or in part, together with all specified tangible and intangible assets, with or without its underlying liabilities, contracts, permissions and consents, rights, registrations, in relation to the Undertaking, with or without consideration as the Board may deem fit in the interest of the Company subject to such terms and conditions as may be deemed fit by the Board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalize and execute necessary documents including but not limited to definitive Agreements or deeds of mortgage / lease / charge / corporate guarantee / conveyance / sale or any other ancillary documents, in such manner as may be decided by the Board, authorize any officer of the Company to appear for registration of such documents and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to mortgage / lease / transfer of the Undertaking as they may in their absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company to execute any documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

3. To make loans or investments or to give guarantee or provide security:

To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 186 read with section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force), read with Companies (Meeting of Board and its Powers) Rules, 2014, approval of the members of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) (a) to grant/give loans, from time to time, on such terms and conditions as it may deem expedient, to any person or bodies corporate; (b) provide guarantee / security to secure any loan / obligations of any other person or bodies corporate; and (c) acquire by way of subscription, purchase or otherwise the securities of any other bodies corporate, in excess of limits prescribed under Section 186 of the Companies Act, 2013 by an aggregate sum of up to Rs. 200 crores (Rupees Two Hundred Crores only), together with the aggregate of loans and investments so far made and/or guarantees so far issued to entities, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed limits prescribed under Section 186 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to take such steps as may be necessary for obtaining approvals, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**By Order of the Board of Directors
For Royal Cushion Vinyl Products Limited**

Sd/-

**Nivedita Juvatkar
Company Secretary**

Place: Mumbai
Date: 26.12.2019

NOTES:

1. The Explanatory Statement for the proposed Special Resolutions pursuant to Section 102 of the Act setting out material facts are appended to the Notice.
2. The Notice is being sent by prescribed mode to all the Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories/Registrar and Share Transfer Agent (“**RTA**”) as on 17th January, 2020 (“**Cut-Off Date**”).

Voting Rights: The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off Date, which will only be considered for voting. Members can vote for their entire voting rights as per their discretion.

3. As per provisions of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot along with Postal Ballot Form is being sent to all the Members through courier.
4. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an option to all the Members of the Company. The Company has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Members may please refer to the instructions below for the purpose of voting through e-voting facility.
5. The Postal Ballot Notice is placed on the Company’s website: www.rcvp.in
6. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
7. A Member cannot exercise his vote by proxy on postal ballot.
8. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to legalho1983@gmail.com. The Registrar and Transfer Agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
9. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
10. The Scrutinizer’s decision on the validity of the Postal Ballot shall be final.
11. The Scrutinizer will submit his report to the Chairman / Managing Director / Director after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or Managing Director or any Director of the Company duly authorized, on or before 24.02.2020 at the Registered Office of the Company and will also be displayed on the Company website viz. www.rcvp.in and communicated to the Stock Exchanges, Depository, Registrar and Transfer Agent on the said date.
12. The date of declaration of results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

13. All the material documents referred to in the explanatory statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the Notice till closing of the e-voting facility.
14. Voting through electronic means: (Instructions for E-Voting)

In compliance with the provisions of section 110 of the Companies Act, 2013 and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote for Postal Ballot by electronic means and the business may be transacted through E-voting Services provided by Central Depository Services (India) Limited (CDSL):

The voting period begins on 24.01.2020 at 9.00 a.m. and ends on 22.02.2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the record / cut-off date of 17.01.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company (6 digits alpha-numeric).
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Royal Cushion Vinyl Products Limited on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES or NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
16. Mrs. Padma Loya, Practicing Company Secretary, (Membership No. 25349) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 17. The Scrutinizer shall not later than 7 days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Director of the Company.
 18. The Results shall be declared along with the Scrutinizers’ Report by placing it on the Company’s website [“www.rcvp.in”](http://www.rcvp.in) and on the website of CDSL within seven (7) days of closing of e-voting facility for Postal Ballot and communicated to the Stock Exchanges wherein the Company’s shares are listed.

Explanatory statement pursuant to section 102 of the Companies Act, 2013

Item no. 1: Approval for the Sale / Transfer / Disposal of the surplus land parcels of the Company

In line with the earlier resolution passed at 35th Annual General Meeting of the Company pursuant to provisions of Section 180(1)(a) and Section 188 of the Companies Act, 2013 for sell, transfer, mortgage, lease and/or disposal off the surplus land parcels being Plot No. 55, 68 & 37P along with all constructions and buildings thereon situated at Village Garadhia, Taluka Savli, Dist Vadodara, Gujarat, India (“Undertaking”) with the objective to improve financial health and long term viability of the Company’s business, the resolution herein is proposed to exercise such power of sale, transfer, assignment and/or lease in favour of Royal Spinwell Private Limited (CIN: U17120MH1991PTC062262), a related party of the Company. As Royal Spinwell Private Limited possesses / owns the adjoining land parcels and proposes to develop such land parcels, the parties had entered into discussions / negotiations to sell, transfer, assign and/or lease the Undertaking in favour of Royal Spinwell Private Limited. Given the market value of such land parcels based on recent transactions, it is expected that the fair value of the Undertaking, on no liabilities / obligations basis, is expected to be around INR 25,00,00,000/- (Rupees Twenty Five Crores Only) subject to certain adjustments in case of partial disposal, as agreed between the parties in terms of the definitive agreements as may be entered into between the Company and RSPL . Therefore, the Company intends to monetise the surplus assets so that available funds realized therefrom can be utilised to pay-off the liabilities.

The Company has manufacturing facilities located at Garadhia spread over 69 acres of the land. Currently, about 9 acres of land is being used for manufacturing activities and storage of materials and balance about 60 acres of land parcels is available as surplus land which also has a vacant constructed building of 2,00,000 sq. ft. The sale, transfer, mortgage, lease and/or disposal off of the said surplus land and building will not have any adverse impact on the business operations of the Company at the said plant.

Therefore, the Board of Directors proposes to sale, transfer, assign and / or lease the said Undertaking to Royal Spinwell Private Limited either as a whole or in part, together with all specified tangible and intangible assets, with or without its underlying liabilities, contracts, permissions and consents, rights, registrations, in relation to the Undertaking, at a consideration which may be in cash or in kind as the Board may deem fit in the interest of the Company, which shall not be less than INR 25,00,00,000/- (Rupees Twenty Five Crores Only) and on such terms and conditions as may be deemed fit by the Board.

Presently, the Undertaking forms a part of the assets of the Company given as a security / charge in favour of certain lenders / creditors of the Company including Natroyal Industries Private Limited, a related party of the Company. The Company shall obtain all requisite approvals / permissions from all concerned parties including these charge holders in order to effectively implement the aforesaid decision. In this regard, the Company has already initiated necessary dialogue with the charge holders, Natroyal Industries Private Limited has given its in-principle no objection for releasing its charge on the Undertaking subject to certain terms and conditions including provision by the Company of the mortgage / charge on its other immovable property and/or issuance of corporate guarantee in favour of lenders / bankers of Natroyal Industries Private Limited, which is the subject matter of resolution at item no. 2 herein.

Pursuant to section 180(1)(a) and 188 of the Companies Act, 2013 read with regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), the Company is required to take approval of members of the Company by way of special resolution to sell / transfer / alter / mortgage / lease / or dispose off any undertaking or substantially the whole of the undertaking.

Further, in terms of provisions of the Section 188 of the Companies Act, 2013 and regulation 23 of SEBI LODR, no member of the Company who is a related party (irrespective of whether such member is a party to this particular transaction or not) shall vote to approve such resolution. Further, in terms of provisions of the Section 188 of the Companies Act, 2013 and regulation 23 of SEBI LODR, the aforesaid proposed transaction has been considered and approved by the Audit Committee and the board of directors of the Company in their respective meetings held on 26/12/2019.

The necessary information pursuant to section 188 read with rules made thereunder given below:

Name of Related Party	Royal Spinwell Private Limited (RSPL)
Name of the director or key managerial personnel who is related, if any	Mr. Jayesh Motasha and Mr. Mahesh Shah
Nature of relationship	RSPL is a private company in which directors or their relative are a member or director under section 2(76)(iv) of the Companies Act, 2013.
Nature, material terms, monetary value and particulars of the contract or arrangements	As stated above.
Any other information relevant or important	As stated above.

All the relevant documents with regard to the aforesaid proposed transactions are available for inspection by the members during the business hours of the Company on all working days except Saturday and Sunday till the date of completion of voting period.

The Board of Directors has considered and recommend the Special Resolutions at Item no. 1 of the accompanying Postal Ballot Notice for the approval of members.

As on date of proposing this resolution, Mr. Jayesh Motasha and Mr. Vinod Shah (who is a brother- of Mr. Mahesh Shah, director of the Company) are the Directors in RSPL. Accordingly, Mr. Jayesh Motasha is also a director and member in RSPL and Mr. Vinod Shah, being a brother of Mr. Mahesh Shah is also a director in RSPL and as such Mr. Jayesh Motasha and Mr. Mahesh Shah and /or their relatives may be deemed to be concerned or interested in the resolution at item no. 1 of the notice, directly or indirectly to the extent of respective shareholding in the Company and/or RSPL. Except as above, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

Item no. 2: Approval for mortgage, lease, provide charge or otherwise provide as a security of immovable property and/or corporate guarantee in favour of the lenders / bankers of Natroyal Industries Private Limited

Presently, the Company has provided a charge / mortgage / hypothecation of all the assets of the Company by way a security / charge in favour of certain lenders / creditors of the Company as security for due performance of the obligations of the Company towards such lenders / creditors, which also includes Natroyal Industries Private Limited ("NIPL"), a related party of the Company. Recently, pursuant to approval obtained from the members of the Company at 35th Annual General Meeting of the Company, the Company has agreed to sell, transfer, assign and/or lease about 10 acres of the land parcels being Plot No. 37P along with all constructions and buildings admeasuring about 2,00,000 sq. ft. situated at Village Garadhia, Taluka Savli, Dist Vadodara, Gujarat, India to an unrelated party. For effecting the said transaction, at the request of the Company, NIPL has released its charge on the said land parcels. Further, for effecting the proposed transaction as stated in item no. 1 above, the Company

has requested NIPL, and NIPL has given its in-principle no objection, to release its charge / mortgage on the Undertaking as referred therein, subject to certain terms and conditions which includes provision by the Company of the mortgage / charge on its other immovable property and/or issuance of corporate guarantee in favour of lenders / bankers of NIPL.

Therefore, the Board of Directors of the Company has considered the same and agreed to provide corporate guarantee and/or security of its other immovable property being the land admeasuring about 39,558 sq. mtrs. along with building admeasuring about 6,607 sq. mtrs, situated at Baska (Plot No. 319 & 320), Halol, Gujarat by way of charge / mortgage in favour of bankers / lenders of NIPL, which has been accepted by NIPL.

Further, it is to be noted that at the 34th Annual General Meeting of the Company, the members of the Company had approved the sale / transfer / alter / mortgage / lease / dispose off the existing land admeasuring 39558 sq. mtrs along with building admeasuring 6,607 sq. mtrs situated at 319 & 320 Baska, Halol, Gujarat held by the Company, with or without underlying liabilities, contracts, permissions and consents, rights, registrations, in relation to the Undertaking, on an “as is where is” basis or in any other manner either in whole or in part to NIPL or any person(s) and/or entity(ies) as may be determined by the Board for a consideration not less than Rs. 18 Crores (Rupees Eighteen crores only) subject to certain adjustments in case of partial disposal. The said approval shall subsists and stand continued and the Company may look to exercise the option of outright sell, transfer and/or assignment of the said Undertaking either to NIPL or any third party, subject to agreement on mutual terms.

Pursuant to section 180(1)(a), 185, 186 and 188 of the Companies Act, 2013 read with regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), the Company is required to take approval of members of the Company by way of special resolution to sell / transfer / alter / mortgage / lease / dispose off any undertaking or substantially the whole of the undertaking. Further, in terms of provisions of the Section 188 of the Companies Act, 2013 and regulation 23 of SEBI LODR, no member of the Company who is a related party (irrespective of whether such member is a party to this particular transaction or not) shall vote to approve such resolution. Further, in terms of provisions of the Section 188 of the Companies Act, 2013 and regulation 23 of SEBI LODR, the aforesaid proposed transaction has been considered and approved by the Audit Committee and the Board of Directors of the Company in their respective meetings held on 26/12/2019

The necessary information pursuant to section 188 read with rules made thereunder given below:

Name of Related Party	Natroyal Industries Private Limited (NIPL)
Name of the director or key managerial personnel who is related, if any	Mr. Mahesh Shah and Mr. Jayesh Motasha.
Nature of relationship	NIPL is a private company in which directors or their relatives are a member or director under section 2(76)(iv) of the Companies Act, 2013.
Nature, material terms, monetary value and particulars of the contract or arrangements	As sated above.
Any other information relevant or important	As sated above.

All the relevant documents with regard to the aforesaid proposed transactions are available for inspection by the members during the business hours of the Company on all working days except Saturday and Sunday till the date of completion of voting period.

The Board of Directors had considered and recommends the Special Resolutions at Item no. 2 of the accompanying Postal Ballot Notice for the approval of members.

As on date of proposing this resolution, Mr. Rahul Mukesh Motasha and Mr. Suvrat Mahesh Shah are the Directors in NIPL. Accordingly, being a relative of Directors of NIPL and being a member of NIPL, Mr. Mahesh Shah, Mr. Jayesh Motasha and /or their relatives may be deemed to be concerned or interested in the resolution at item no. 2 of the notice, directly or indirectly to the extent of respective shareholding in the Company / NIPL. Except as above, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

Item nos. 3 : To make loans or investments or to give guarantee or provide security

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans or otherwise to various persons and bodies corporate from time to time, in compliance with the applicable provisions of the Act including those stated hereinabove.

As per Section 186 of the Companies Act, 2013, a Company that proposes to give loan(s), and/or guarantee(s) or provide any security(ies) in connection with loan(s) made and / or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate in excess of 60% of the paid up Share Capital and Free Reserves and Securities Premium of the Company or 100% of Free Reserves and Securities Premium of the Company whichever is more, is required to obtain the approval of the shareholders. As the net worth of the Company is in negative due to legacy issues of sickness and other factors, often it becomes difficult for the Board of Directors to undertake stated transactions though such transactions may be in the interests of the Company or there may be business exigencies to undertake such transactions. Therefore, it is proposed to empower the Board of Directors of the Company to give loans to any person, provide guarantees and/or securities for loans taken by other persons, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body (ies) corporate, as may be required from time to time up to amount of Rs. 200 crores (Rupees Two Hundred Crores Only), notwithstanding the limits prescribed under Section 186 of the Companies Act, 2013.

In view of the above, prior approval of the Members is being sought under the provisions of section 186 of the Companies Act, 2013.

The Directors recommend the Special Resolutions as set out at Item No. 3 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

**By Order of the Board of Directors
For Royal Cushion Vinyl Products Limited**

Place: Mumbai
Date: 26.12.2019

**Sd/-
Nivedita Juvatkar
Company Secretary**