



To,
The Board of Directors
Royal Cushion Vinyl Products Limited
60CD Shlok Government Ind. Estate Charkop,
Kandivli (West), Mumbai 400067

Dear Sir/Madam,

Sub: Fairness Opinion on Valuation Report on Proposed Merger of Natroyal Industries Private Limited with Royal Cushion Vinyl Products Limited.

1. ENGAGEMENT BACKGROUND

We refer to the engagement letter dated June 11, 2024 whereby the management of Royal Cushion Vinyl Products Limited (hereinafter referred as "Transferee Company" or "Company" or "RCVPL") has engaged Finshore Management Services Limited (hereinafter referred as "FMSL"), *inter alia*, to provide fairness opinion on valuation report of Mr. Anandkumar Gawade, Registered Valuer – IBBI Reg. No. IBBI/RV/05/2019/10746 ("Valuer"), for the proposed merger / amalgamation of Natroyal Industries Private Limited (hereinafter referred as "Transferor Company" or "NIPL") with Royal Cushion Vinyl Products Limited.

2. ABOUT THE PROPOSED TRANSACTION

We have been informed that the management of the Companies are contemplating a Scheme of Arrangement in the nature of merger / amalgamation of NIPL with RCVPL on going concern basis with effect from the Appointed Date of April 1, 2024 pursuant to a scheme of arrangement ("Scheme") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Proposed Transaction"). As a consideration for the Proposed Transaction, 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. In order to comply with the requirements of Companies Act, 2013, applicable SEBI Regulations and other applicable statutes, RCVPL has appointed Mr. Anandkumar Gawade, Registered Valuer (IBBI Reg. No. IBBI/RV/05/2019/10746), to carry out the valuation of the equity shares of NIPL and RCVPL and recommend the fair swap ratio for the Proposed Transaction on a 'going concern' basis.





3. BACKGROUND OF THE COMPANIES

Natroyal Industries Private Limited:

Company Name	Natroyal Industries Private Limited
CIN	U74210MH1989PTC053554
Date of Incorporation	20/09/1989
Registered Address	60 CD, Shlok Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai 400067.
Listing status	Unlisted
Directors	1) Rahul Motasha Mukesh 2) Suvrat Mahesh Shah

(Source: www.mca.gov.in)

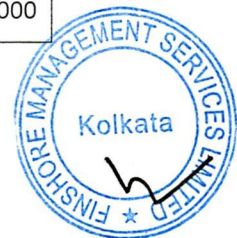
Natroyal Industries Private Limited was incorporated on September 20, 1989 as per the provisions of the Companies Act, 1956 and has its registered office at 60 CD, Shlok Govt. Industrial Estate, Charkop, Kandivli (West), Mumbai 400067.

Natroyal Industries is engaged in the business of manufacturing of seating components, coated textile fabrics/PVC Leathercloth and knitted fabrics.

The capital structure of NIPL as on May 31, 2024, is as follows:

Particulars	No. of Equity Shares	Face Value (INR)	Amount (INR)
Authorized Share Capital Equity Shares	10,90,000	100	10,90,00,000
Subscribed, Issued & Paid Up Equity Shares	7,22,170	100	7,22,17,000

(Source: Company)





Royal Cushion Vinyl Products Limited:

Royal Cushion Vinyl Products Limited manufactures and sells poly vinyl chloride (PVC) products in India. It offers PVC floor coverings, laminated sheets and tiles, and leather cloths, which are used in commercial, residential, transport, and contract ranges, as well as household, offices, shops, health club, automobiles etc. applications under the Royal House brand name. The company also provides a range of residential and transport flooring products and services. In addition, it offers vinyl floorings for various commercial applications, such as malls, offices, showrooms, lobbies, indoor play areas, retail and hospitality, etc. The company sells its products through a network of distributors and retailers. Royal Cushion Vinyl Products Limited was incorporated in 1983 and is based in Mumbai, India.

CIN	L24110MH1983PLC031395
Company Name	ROYAL CUSHION VINYL PRODUCTS LIMITED
ROC Code	ROC Mumbai
Registration Number	031395
Company Category	Company limited by Shares
Company SubCategory	Non-govt company
Class of Company	Public
Authorised Capital(Rs)	50,00,00,000
Paid up Capital(Rs)	36,58,84,620
Date of Incorporation	21/11/1983
Registered Address	60CD Shlok Government Ind. Estate, Charkop, Kandivli (West), Mumbai 400067.

(source: www.mca.in)

Current Capital Structure of the Company:

Particulars	Amount in Rs.
Issued, Subscribed and Paid up Share Capital 3,65,88,462 Equity shares of Rs. 10/- each	36,58,84,620

(Source: Company)





4. SOURCES OF INFORMATION

We have relied on the following information for forming our opinion on the fairness of the Valuation Report:-

- a. Draft Scheme of Arrangement
- b. Audited Financial statements of Royal Cushion Vinyl Products Limited and Natroyal Industries Private Limited for the period of FY 2024, FY 2023, FY 2022, FY 2021.
- c. Limited Reviewed Financial Statement of Royal Cushion Vinyl Products for period ended June 30, 2024.
- d. Audited Financial Statement of Natroyal Industries Private Limited for period ended May 31, 2024.
- e. Valuation report issued by Mr. Anandkumar Gawade, Registered Valuer (IBBI Reg. No. IBBI/RV/05/2019/10746).
- f. Shareholding Pattern of RCVPL and NIPL as on Valuation Date.
- g. Brief Overview of the Companies and its past & current operations.
- h. Quantity of shares traded and Traded turnover of equity shares of RCVPL on BSE.
- i. Memorandum and Articles of Association of the Companies
- j. Valuation reports of the Independent Valuers determining the fair market value of the land and buildings owned by the Companies.
- k. Projected Financial Statements of RCVPL and NIPL from FY 2024-25 to FY 2028-29.
- l. We have also accessed public documents as available from external sources such as mca.gov.in to better understand and assess the value of the business.
- m. We have also obtained necessary explanations and information, which I believed were relevant to the present exercise, from the executives and representatives of the company.

5. THE SCHEME IS CONDITIONAL UPON THE FOLLOWING FACTORS:

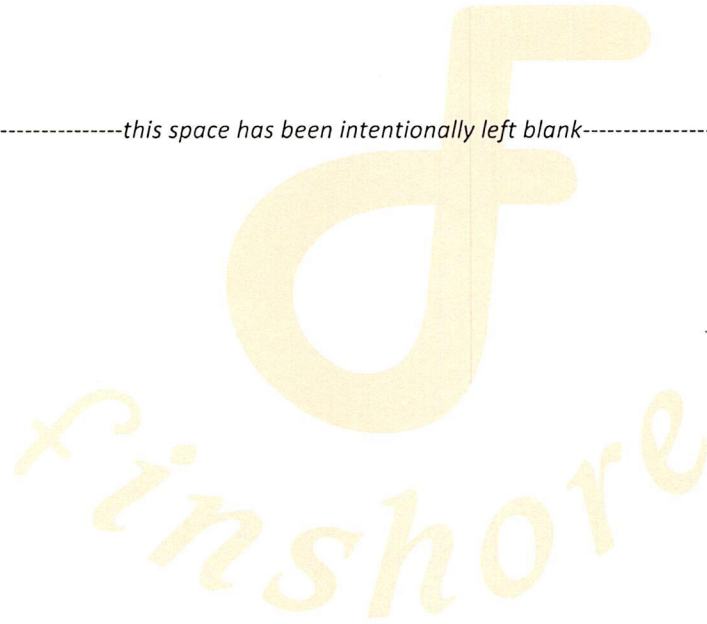
- a. Obtaining the 'No-objection Letter' from the designated Stock Exchange for the implementation of the Scheme.
- b. Approval of the Scheme by the requisite majorities of the respective members and creditors of the Transferor Company and the Transferee Company as required under the Companies Act, 2013.
- c. 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.





- d. Sanction of the Scheme by Hon'ble National Company Law Mumbai Tribunal ("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.
- e. 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.
- f. 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.

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6. SCOPE AND LIMITATIONS/CAVEATS

- a. Our opinion and analysis is limited to the documents provided to us by the Companies. Our engagement is limited to the extent of review of documents as provided to us by the Companies including the Valuation report of Mr. Anandkumar Gawade, Registered Valuer – IBBI Reg. No. IBBI/RV/05/2019/10746. We have relied upon the accuracy and completeness of all information and documents provided to us by the Companies and Mr. Anandkumar Gawade, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial statement relating to these Companies. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the entities.
- b. In rendering our opinion, we have assumed that the Scheme of Arrangement for merger / amalgamation will be implemented on the terms described therein without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary regulatory approvals to the Scheme of Arrangement, no delay, limitation, restriction or conditions will be imposed that would have an adverse effect on the Scheme.
- c. We do not express an opinion as to any tax or other consequences that might arise from the Scheme of Arrangement nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.
- d. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as contemplated in the Scheme of Arrangement for merger / amalgamation provided to us and is not valid for any other purpose.
- e. Our engagement and opinion expressed herein are for the use of Board of Directors of the Companies in connection with the Scheme of Arrangement for merger / amalgamation and for no other purpose. Neither we nor any of our affiliates, partners, directors, shareholders, managers, employees or agents or any of them make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.
- f. No decision should be taken based on this Report by any person intending to provide finance or invest in shares of the Companies and shall do so after seeking their own professional advice and carrying out their own due diligence to ensure that they are making an informed decision.



FINSHORE MANAGEMENT SERVICES LIMITED

(CIN : U74900WB2011PLC169377) ● Website : www.finshoregroup.com

Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. : 033 2289 5101

Creating Enterprise Managing Values



- g. Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement for merger / amalgamation, if required or any matter related thereto.
- h. Reproduction, Copying or otherwise quoting of our Report or any parts thereof, other than in connection with the Scheme of Arrangement for merger / amalgamation, can be done only with our prior consent in writing.
- i. Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of Arrangement for merger / amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implication or issues arising from proposed Arrangement.
- j. Our opinion is restricted to the fairness opinion on the valuation report given by the Registered Valuer as required under 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.
- k. The fairness opinion is based on and is subject to the condition's precedent mentioned under Point 5 "The Scheme is conditional upon".
- l. We have no present or planned future interest in the entities and the fee payable for this opinion is not contingent upon the opinion reported herein. The Companies have been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
- m. The opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
- n. This fairness opinion report is subject to the scope and limitations detailed herein. As such the report is to be read in totality, and not in parts and in conjunction with the relevant documents referred to in this report. This report has been issued only for the purpose of the facilitating the Scheme and should not be used for any other purpose.



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7. OPINION

With reference to above and based on information provided by Management of the Companies and after discussions with the Key Executives of the Companies and the Registered Valuer, we understand that Natroyal Industries Private Limited is proposed to be merged with Royal Cushion Vinyl Products Limited. The proposed merger is driven by motive to achieve financial and operational synergies, and increase the competitive strength of the group.

Considering the above and subject to our caveats as stated in this report, we as a Merchant Banker hereby certify that we have reviewed the valuation report provided by the Registered Valuer and basis such review, we are of the opinion that fair value of each equity share of Natroyal Industries Private Limited and Royal Cushion Vinyl Products Limited and the proposed share exchange ratio of 125:2 i.e., For every 2 equity share of Natroyal Industries Private Limited, 125 Equity Shares of Royal Cushion Vinyl Products Limited" as arrived at by Mr. Anandkumar Gawade, Registered Valuer – IBBI Reg. No. IBBI/RV/05/2019/10746 for the proposed merger is fair and reasonable.

For Finshore Management Services Limited
SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185


S. Ramakrishna Iyengar
Director



Place: Kolkata
Date: August 13, 2024