

30<sup>th</sup>  
ANNUAL 2013  
REPORT 2014



ROYAL CUSHION VINYL PRODUCTS LIMITED



## Royal Cushion Vinyl Products Limited

CIN No. : L24110MH1983PLC031395

## BOARD OF DIRECTORS

Shri Mahesh K. Shah Chairman & Managing Director  
 Shri Vinod K. Shah Whole time Director  
 Shri Arvind V. Motasha  
 Shri Deepak A. Motasha  
 Shri Mukesh A. Motasha  
 Shri Jayesh A. Motasha

## COMPANY SECRETARY

Shri H. K. Bijlani

## REGISTERED OFFICE

60 CD, Shlok Govt. Indus. Estate  
 Charkop, Kandivali (West), Mumbai – 400 067  
 Tel: 022 32655828, 022 28603514 Fax : 022 28603565

## AUDITORS

M/S. CHANDRAKANT & SEVANTILAL  
 & J. K. SHAH & CO.  
 Chartered Accountant  
 301, Lalita Tower, Near Hotel Rajpath,  
 Station Akota Road,  
 Vadodara – 390 007

## REGISTRAR &amp; TRANSFER AGENTS

M/s Universal Capital Securities Private Limited  
 (Formerly Known as Mondkar Computers Pvt Ltd)  
 Unit : Royal Cushion Vinyl Products Limited  
 21, Shakil Niwas, Mahakali Caves Road,  
 Andheri (E), Mumbai 400 093  
 Tel: 28366620/ 28257641/62920 Fax : 28211996

## FINANCIAL INSTITUTION / BANKS

Axis Bank Ltd.  
 SICOM

## WORKS

Plot no. 55, Village, Garadhia, Taluka Savli,  
 Dist. Vadodara, Gujarat - 391520 Tel: 02667 – 251674 /73

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#### NOTICE

NOTICE is hereby given that the 30<sup>th</sup> ANNUAL GENERAL MEETING of the Members of ROYAL CUSHION VINYL PRODUCTS LIMITED will be held on Tuesday, the 30<sup>th</sup> September, 2014 at 3.00 p.m. at the Conference Room, 2<sup>nd</sup> Floor, 60 CD "SHLOK" Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, for the purpose of transacting the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak A. Motasha (DIN - 00060092) who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mr. Jayesh A. Motasha (DIN - 00054236) who retires by rotation and being eligible, offers himself for re- appointment.
4. To consider and if thought fit to pass, with or without modifications, the following as Ordinary Resolution:  
 "RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and Companies (Audit and Auditors Rules 2014 (including any statutory modification (s) or re- enactment thereof for the time being in force), M/s. Chandrakant & Sevantilal & J. K. Shah & Co, Chartered Accountants, Vadodara (Firm Registration no. 101676W) be and hereby appointed as Auditors of the Company for a term of three consecutive years from the conclusion of the 30<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the 33rd Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration to be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee of Directors in consultation with the said Auditors."

#### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modifications, the following as a Special Resolution:  
 "RESOLVED THAT subject to the approval of the Central Government (if required), and other consents, permissions and approvals as may be required and pursuant to the provisions of Sections 196, 197, and 203 of the new Companies Act, 2013 (corresponding section 198,269,309,310 and 311 of the old act) and all other applicable provisions of the Companies Act, 2013 ( hereinafter referred to as the "Act") read with Schedule V of the new Companies Act, 2013 (corresponding Schedule XIII of the Companies Act, 1956) the Company hereby approves the re-appointment of Mr. Mahesh K. Shah (DIN- 00054351) as Managing Director of the Company for a period of 3 (three) years commencing from 1st April, 2014 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner and limit as set out in the Explanatory Statement.  
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to enter into an Agreement and to do all such acts, deeds, matters for and on behalf of the Company for the purpose of giving effect to this resolution.
6. To consider and, if though fit, to pass with or without modifications, the following Resolutions as a Special resolution:  
 "RESOLVED THAT subject to the approval of the Central Government (if required) , and other consents, permissions and approvals as may be required and pursuant to the provisions of Sections 196, 197 and 203 of the new Companies Act, 2013 (corresponding section 198,269,309,310 and 311 of the old act) and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the new Companies Act, 2013 (Corresponding Schedule XIII of the Companies Act, 1956) , the Company hereby approves the re-appointment of Mr. Vinod K. Shah (DIN- 00054667) as Whole time Director of the Company for a period of 3 (three) years commencing from 1st April, 2014 upon the terms and conditions and the Remuneration, perquisites to be paid or granted to him in the manner & limit as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to enter into an Agreement and to do all such acts, deeds, matters for and on behalf of the Company for the purpose of giving effect to this resolution."

7. To consider and, if though fit, to pass with or without modifications, the following Resolutions as a Special Resolution:

"RESOLVED THAT and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 150 Crores (Rupees One Hundred and Fifty Crores only) [including the money already borrowed by the Company] or the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher; on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act 2013 (including any amendment thereto or re-enactment thereof) and subject to other approvals, if applicable or required under any statute(s) / rules(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities, consent of the Company be and is hereby accorded to Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to charge/mortgage/hypothecation any of its movable and / or immovable properties wherever situated both present and future and in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount at any time not exceeding Rs. 150 crores (Rupees One Hundred and Fifty Crores only) or the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher."

"RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari-passu/subservient with/to the charge/mortgage/hypothecation already created or to be created by the company as may be agreed to between the concerned parties".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of section 188 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014, the consent of Company be and is hereby accorded for entering into related party transactions by the Company with effect from 01/07/2014 for the amounts as appended below in addition to the approval obtained from Central Government (Regional Director) under Section 188 of the Companies Act, 2013 (Corresponding Section 297 of the Companies Act, 1956) which described in the Explanatory Statement:

(Rs. in lacs)

MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) WEF 01/07/2014		
	Transactions defined under section 188(1) of the Companies Act, 2013	
	Leasing of property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, services or property.
NAME and NATURE of RELATIONSHIP with RELATED PARTIES		
Natroyal Industries Private Limited – In which Directors of the Royal Cushion Vinyl Products Limited are Members as per section 2(76)(iv) of the Companies Act, 2013.	25.00	1,000.00

"RESOLVED FURTHER THAT to give effect to this Resolution the Board of Directors and/or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all such acts, deeds, things, as may be necessary in its absolute discretion deem necessary, proper desirable and to finalise any documents and writings related thereto."

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

"RESOLVED THAT pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to invest/acquire the securities of any body corporate by way of subscription/purchase or otherwise, upto a sum of Rs. 5 Crores (Rupees Five Crores), notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively "transactions") including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction".

Mumbai, 10<sup>th</sup> June, 2014

Registered Office

Royal Cushion Vinyl Products Limited

Shlok, 60 CD, Govt. Industrial Estate, Charkop,

Kandivali (West), Mumbai - 400 067.

CIN No. – L24110MH1983PLC031395 • Website: www.natroyalgroup.com

BY ORDER OF THE BOARD

For Royal Cushion Vinyl Products Limited

Sd/-

H. K. Bijlani

General Manager Legal & Company Secretary

## Notes :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE ON A POLL INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- c. An Explanatory Statement under Section 102 of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- d. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 24<sup>th</sup> September, 2014 to Friday 26<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual Book Closure.
- e. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.
- f. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
- g. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the management to keep the information ready at the Meeting.
- h. Members are requested to notify any change in their address to the Company's registrar and share transfer agents at M/s. Universal Capital Securities Private Limited (formerly known as Mondkar Computers Private Limited), Unit: Royal Cushion Vinyl Products Limited., 21, Shakhil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 101. Tel No. 022 28257641, 022 28207203.
- i. PARTICULARS REQUIRED FOR APPOINTMENT / RE-APPOINTMENT OF DIRECTORS PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:
- At the ensuing Annual General Meeting Mr. Deepak A. Motasha and Mr. Jayesh A. Motasha, are liable to retire by rotation and being eligible offers himself for re-appointment. The brief profile of the aforesaid Directors being appointed/re-appointed are given below:
1. Mr. Deepak A. Motasha (DIN No. – 00060092)  
Mr. Deepak Motasha (61 years) is a B.Com. Graduate from Mumbai University. He has vast and varied experience in all functions of the Company including production, sales and marketing.  
He is not holding any directorship in any other company.  
He is the Chairman in Audit Committee and member in Remuneration Committee and Shareholders and Investor's Grievances Committee of the Company. He is a Director since 21/11/1983.  
He is presently holding 26,701 Equity Shares of Rs.10/- each of the Company (including shares held jointly).
  2. Mr. Jayesh A. Motasha (DIN No. – 00054236)  
Mr. Jayesh Motasha (57 years) is a B.Com. Graduate from Mumbai University. He has vast and varied experience in all functions of the Company including production, financial, commercial and allied areas.  
Mr. Jayesh Motasha is holding directorship in Royal Spinwell Private Limited and Samsons Leathercloth Co. Mfg Pvt Ltd.  
He is the Member in Audit Committee, Remuneration Committee and Shareholders and Investor's Grievances Committee. He is a Director since 21/11/1983. He is presently holding 26,800 Equity Shares of Rs. 10/- each of the Company (including shares held jointly).

j. Voting through electronic means (E-Voting):

1. In accordance with the applicable provisions of Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 30th Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.
2. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cutoff date August 29, 2014.
3. The voting period begins on Wednesday the 24<sup>th</sup> day of September, 2014 at 9.00 a.m. and will end on Friday, the 26th day of September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.
4. Mr. Chintan Goswami, a Practicing Company Secretary has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. The Procedure and Instructions for e-voting are as under:
  - i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com), during the voting period.
  - ii. Click on "Shareholders" tab.
  - iii. Now, select "Royal Cushion Vinyl Products Limited" from the drop down menu and click on "SUBMIT".
  - iv. 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.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vii. 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)
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<ul style="list-style-type: none"> <li>• 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 or R. Amit Kumar with Sr.No. 1 then enter RA00000001 in the PAN field.(For your password please refer to address sticker affixed on AGM report i.e. 2 character of your name and 8 digit of Sr. numbers.)</li> </ul>
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.
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

# Please enter any one of the details relating to DOB or Dividend Bank details in order to login. In case both the details are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for Royal Cushion Vinyl Products Limited, to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. 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.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and send the scan copy of the Board resolution/ POA to [legalho83@gmail.com](mailto:legalho83@gmail.com).
- 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. [i] to sl. no. [xviii] above to cast vote.
- (B) Mr. Chintan Goswami, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e voting process in a fair and transparent manner.
- (C) Members who do not have access to e-voting facility may send duly completed Ballot Form (sent along with the Notice) so as to reach the Scrutinizer appointed by the Board of Director of the Company, Mr. Chintan Goswami, Practicing Company Secretary, C/o. *Universal Capital Securities Pvt. Ltd. Unit: Royal Cushion Vinyl Products*



Limited, 21, ShakiNiwas, Mahakali Caves Road, Andheri [East], Mumbai – 400 093, not later than Friday, September 26, 2014 (6.00 p.m.).

Members have the option to request for hard copy of the Ballot Form by sending an e-mail to [deepti.sheth@natroyalgroup.com](mailto:deepti.sheth@natroyalgroup.com) by mentioning their Folio/DP ID/and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer appointed by the Company not later than Friday, September 26, 2014 (6.00 p.m.) Ballot form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

6. The results of e-voting shall be declared by the Chairman on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.natroyalgroup.com](http://www.natroyalgroup.com) within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.

#### EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 5 to 10 of the accompanying Notice dated June 10, 2014.

Item No. 5:

The Board of Directors of your Company has reappointed Mr. Mahesh K. Shah as the Managing Director for a period of 3 years with effect from 01<sup>st</sup> April, 2014, subject to the approval of Members of the Company at the 30<sup>th</sup> Annual General Meeting, and subject to all other applicable approvals.

He is a rank holder in M.Sc (Organics) from Mumbai University. He is also past President of PLASTINDIA FOUNDATION and APEX BODY of Plastic Association of India. He is also Managing Committee Member for the last 18 years of PLASTINDIA FOUNDATION and Ex- Chairman of PLEXCOUNCIL (PLASTIC EXPORT PROMOTION COUNCIL).

Your Company is in the process of making application to the Central Government for seeking its approval under section 203 of the Companies Act, 2013 (corresponding section 198, 269, 309, 310 and 311 of the Companies Act, 1956) to enable Mr. Mahesh K. Shah to act as a Managing Director of the Company. Therefore, re-appointment of Mr. Mahesh K. Shah, Managing Director of your Company is subject to the approval of Central Government.

The Nomination & Remuneration Committee at their meeting held on 1st February, 2014 and Board of Directors of the Company in their meeting held on 06<sup>th</sup> February, 2014 had approved (subject to the approvals of the Members of the said Company) the following terms and conditions or remuneration payable to Mr. Mahesh K. Shah for a period of 3 years w.e.f. April 01, 2014.

Mr. Mahesh K. Shah be appointed as Managing Director of the Company with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017.

The Company shall pay to Mr. Mahesh K. Shah in consideration of the performance of his duties as Managing Director, the following Remuneration.

- |                                |  |
|--------------------------------|--|
| a. Salary                      | Rs. 75,000/- per month   |
| b. Other Perks                 | Company will give other perk such as H. R. A, Reimbursement of Electricity, medical expenses, Leave travel allowances and Other perks to the extent of Rs. 50,000/- p.m. |
| c. Leave                       | As per rules of the Company  |
| * d. Gratuity                  | As per rules of the Company  |
| * e. Provision of              | for use on Company's business, Cars and telephones at residence. Personal long distance calls shall be billed by the Co to him.  |
| * f. Provident fund            | Contribution to Provident Fund, Superannuation Funds & others Funds to the extent these singly or put together are not taxable under the Income Tax Act.                 |
| g. Personal Accident Insurance | For self and family  |

- h. Minimum Remuneration Notwithstanding the above where in any financial year during the currency of the term of office as Managing Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other and perquisites to the extent of Rs. 1,25,000/- per month.
- \* The perquisites shall be evaluated as per the actual cost or Income Tax Rules, as applicable.
  - \* Mr. Mahesh K. Shah as long as he functions as a Managing Director shall not be paid any seating fees for attending meetings of the Board of Directors or Committee thereof.
  - \* The Agreement shall be terminable at any time either party by giving 3 months' notice of such termination without assigning any reason and neither party will have any claim by reason of such termination. In any event the Managing Director shall not be entitled to any compensation in cases mentioned in Section 202 of the Companies Act, 2013 (correspondingly section 318(3) of the Companies Act, 1956).

Where in respect of any financial year, during the tenure of Mr. Mahesh Shah as a Managing Director of the Company, the company has no profits or its profits are inadequate, the aforesaid remuneration including perquisites shall be reckoned as the minimum remuneration subject to such approval(s), as may be required.

Mr. Mahesh Shah is interested in the resolution set out respectively at Item No. 5 of the Notice, which pertain to his respective re-appointment and remuneration payable to him.

The relatives of Mr. Mahesh Shah may be deemed to be interested in the resolution set out respectively at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Item No. 6:

The Board of Directors of your Company has reappointed Mr. Vinod K. Shah as the Whole Time Director for a period of 3 years with effect from 01<sup>st</sup> April, 2014, subject to the approval of Members of the Company at the 30<sup>th</sup> Annual General Meeting, and subject to all other applicable approvals.

Mr. Vinod Shah is B.E (Electrical) having experience of 25 years and In- Charge of Operation/ production of the Company. With his expertise knowledge, our Company has installed Vinyl Flooring Plant. He is also responsible for Plant, Administration including supervision, production and control the plant situated at Plot No.55, Village Garadia, Taluka Savli, Dist. Baroda, Gujarat 391520.

Your Company is in the process of making application to the Central Government for seeking its approval under section 203 of the Companies Act, 2013 (corresponding section 198,269,309,310 and 311 of the Companies Act, 1956) to enable Mr. Vinod Shah to act as a Whole Time Director of the Company. Therefore, Mr. Vinod K. Shah re-appointment of Whole Time Director of your Company is subject to the approval of Central Government .

The Nomination & Remuneration Committee at their meeting held on 1st February, 2014 and Board of Directors of the Company in their meeting held on 06<sup>th</sup> February, 2014 had approved (subject to the approvals of the Members of the said Company) the following terms and conditions or remuneration payable to Mr. Vinod Shah for a period of 3 years w.e.f. April 01, 2014.

The terms including remuneration payable to Mr. Vinod Shah is as under:

Mr. Vinod Shah be appointed as Whole Time Director of the Company with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017.

The Company shall pay to Mr. Vinod K. Shah in consideration of the performance of his duties as Whole Time Director, the following Remuneration.

a. Salary	Rs. 75,000/- per month
b. Other Perks	Company will give other perk such as H. R. A, Reimbursement of Electricity, medical expenses, Leave travel allowances and Other perks to the extent of Rs. 50,000/- p.m.
c. Leave	As per rules of the Company
* d. Gratuity	As per rules of the Company
* e. Provision of	for use on Company's business Cars and telephones at residence. Personal long distance calls shall be billed by the Co to him.
* f. Provident fund	Contribution to Provident Fund, Superannuation Funds and other Funds to the extent these singly or put together are not taxable under the Income Tax Act.
g. Personal Accident Insurance	For self and family
h. Minimum Remuneration	Notwithstanding the above where in any financial year during the currency of the term of office as Managing Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other and perquisites to the extent of Rs. 1,25,000/- per month.
	* The perquisites shall be evaluated as per the actual cost or Income Tax Rules, as applicable.
	* Mr. Vinod K. Shah as long as he functions as a whole time Director shall not be paid any seating fees for attending meetings of the Board of Directors or Committee thereof.
	* The Agreement shall be terminable at any time either party by giving 3 months' notice of such termination without assigning any reason and neither party will have any claim by reason of such termination. In any event the whole time Director shall not be entitled to any compensation in cases mentioned in Section 202 of the Companies Act, 2013 (correspondingly section 318(3) of the Companies Act, 1956).

Where in respect of any financial year, during the tenure of Mr. Vinod Shah as a Whole Time Director of the Company, the company has no profits or its profits are inadequate, the aforesaid remuneration including perquisites shall be reckoned as the minimum remuneration subject to such approval(s), as may be required.

The Board recommends the resolution for your approval.

Mr. Vinod Shah is interested in the resolution set out respectively at Item No. 6 of the Notice, which pertain to his respective re-appointment and remuneration payable to him.

The relatives of Mr. Vinod Shah may be deemed to be interested in the resolution set out respectively at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013:

I. GENERAL INFORMATION

1. Nature of industry:

The Company is engaged into manufacturing of PVC products which are widely used for household, offices, shops, health club, etc. The Company has developed new product for transport office and domestic application.

2. Date of commencement of commercial production:

The Company carries manufacturing of PVC products business since 21<sup>st</sup> November, 1983.

3. Financial performance based on given indicators: (Rs. in Lacs)

Particulars	2013-14	2012-13
Profit (Loss) after Tax	(321,476,290)	(329,570,794)
Net Worth (including balance in Profit & Loss Account)	(4,504,883,092)	(4,183,406,802)
Earnings Per Share	(26.64)	(27.31)
Turnover	618,039,646	496,571,777

4. Foreign investments or collaboration, if any: NIL

II. INFORMATION ABOUT THE APPOINTEE

1. Background details:

Mr. Mahesh Shah is a rank holder in M.Sc (Organics) from Mumbai University. He is also past President of PLASTINDIA FOUNDATION and APEX BODY of Plastic Association of India. He is also Managing Committee Member for the last 18 years of PLASTINDIA FOUNDATION and Ex- Chairman of PLEXCOUNCIL (PLASTIC EXPORT PROMOTION COUNCIL).

Mr. Vinod K. Shah is B.E (Electrical) having experience of 25 years and In- Charge of Operation/ production of the Company. With his expertise knowledge, our Company has installed Vinyl Flooring Plant. He is also responsible for Plant, Administration including supervision, production and control the plant situated at Plot No.55, Village Garadia, Taluka Savli, Dist. Baroda, Gujarat 391520.

2. Past remuneration:

The total amount remuneration drawn by Mr. Mahesh Shah for the year 2013-14, was Rs. 5,95,000/- including the perquisites.

The total amount remuneration drawn by Mr. Vinod Shah for the year 2013-14, was Rs. 5,79,000/- including the perquisites.

3. Job Profile and his suitability:

Mr. Mahesh Shah and Mr. Vinod Shah is serving as Managing Director / Whole time Director of the Company respectively and entitled to exercise all such powers and to do all such acts and things the Company is authorised to exercise and all such powers, acts or things for the Company.

4. Remuneration Proposed:

The details of remuneration payable to the Managing Director / Whole time Director is same as referred hereinabove.

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The remuneration being paid to the Managing Director / Whole time Director is much lower than the remuneration being paid by the companies comparable size in the industry in which the Company operates.

6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Managing/Whole time Director does not have any pecuniary relationship with the Company except remuneration paid to him as Managing/Whole time Director and as a shareholder to the extent of their respective shareholding directly and indirectly in the Company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

Since the Company is BIFR, so it is not getting any Banking Facilities and due to this not able to obtain its Optimal level and the Company is incurring Losses.

2. Steps taken or proposed to be taken for improvement:

The Company has submitted DRS to BIFR for the approval. On receipt of necessary approvals, require steps will be taken for improvement and profitability.

With the introduction of high value added products for bus segment in local market, the Company is optimistic about the growth in the coming years.

The Company is focusing on shifting the product mix towards the high end product for better realization.

3. Expected increase in productivity and profits in measurable terms:

The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and reducing the quantum of losses of the Company. Considering the present business scenario, the Company is expecting increase in revenue and reducing the quantum of losses. The Management is confident of keeping a higher growth ratio in the period to come.

IV. Disclosures:

The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and have been made in the Directors' Report under the heading "Corporate Governance" attached to in this Annual Report.

Item No. 7 & 8:

The members may kindly be informed that in the Annual General Meeting of your Company on 06<sup>th</sup> June, 1994 the shareholders had authorized the Board of Directors:

- To borrow monies up to Rs. 150 crores under Section 293(1)(d) of the Companies Act, 1956, as well as
- To secure the same by suitable mortgage/charge on all or any of the moveable and/or immoveable properties, regarded as disposal of the Company's undertakings under Section 293(1)(a) of the Companies Act, 1956.

However, as per the corresponding provisions of section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 which were notified on 12<sup>th</sup> September, 2013 and based on the clarification thereof issued by MCA vide General Circular no. 04/2014 dated 25<sup>th</sup> March, 2014, the Resolutions(s) passed u/s. 293 of the Companies Act, 1956 prior to 12<sup>th</sup> September, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the Company will be effective only upto a period of 1 year from the date of notification i.e. 12<sup>th</sup> September, 2013. Therefore, in order to remain compliant with the relevant provisions on borrowings and creation of security under Companies Act, 2013, consent of the members is hereby requested by way of proposed Special Resolution(s).

Further, the provisions of the Companies Act, 1956 required consent of the members as an Ordinary resolution for both borrowing and creation of security; however, the provisions of the 2013 Act stipulate consent of members by way of a Special Resolution.

The Board of Directors of your Company has approved this item in the Board meeting held on 10<sup>th</sup> June, 2014 and recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as Special Resolutions.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned/ interested in the above resolution.

Item No. 9:

The provisions of Section 188(1) of the Companies Act, 2013 that govern the following Related party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid-up share capital of a Company is Rs. 10 Crores or more, the prior approval of shareholders by way of a Special Resolution:

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;

- c) Leasing of property of any kind;
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the company.

The provisions of section 188(3) provide that any contract or arrangement entered into u/s. 188(1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In addition to the limit specified in resolution, the Company has got approval from Central Government (Regional Director) under section 297 of the Companies Act, 1956 for entering into a related party transaction for a period of three years commencing from 31/07/2013 to 30/07/2016 with Natroyal Industries Private Limited (formerly known as Vijayjyot Seats Private Limited) and Samsons Leathercloth Mfg Co. Pvt Ltd having letter no. RD/297/214/8/2013/10695 dated 30/10/2013.

In the light of provisions of the 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related parties (as defined under 2013 Act) for the financial year 2014-15 and beyond.

All prescribed disclosures as required to be given under the provisions of the 2013 Act and the Companies (Meeting of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of the members.

PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT, 2013.		
MAXIMUM VALUE OF CONTRACT/TRANSACTION (PER ANNUM) WEF 1st JULY, 2014		
(Rs. in lacs)		
	Transactions defined under section 188(1) of the Companies Act, 2013	
	Leasing of property of any kind	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, services or property.
NAME and NATURE of RELATIONSHIP with RELATED PARTIES		
Natroyal Industries Private Limited - (In which Directors of the Company are Members of Natroyal Industries Private Limited)	25.00	1,000.00

- a) Name of the related party: Natroyal Industries Private Limited
- b) Name of the director or Key Management Personnel who is related, if any: Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Jayesh Motasha, Mr. Deepak Motasha, Mr. Mukesh Motasha and Mr. Arvind Motasha.
- c) Nature of Relationship: Natroyal Industries Private Limited Company in which the Directors of Royal Cushion Vinyl Products Limited are the members.
- d) Nature, material terms, monetary value and particulars of the contract or arrangement:
  - Natroyal Industries Private Limited proposed to entered into the Lease agreement with your Company for taking a part of the Land situated at Plot No. 55, Village Garadhia Taluka Salvi, Dist. Baroda, Gujarat – 391520 on lease for the purpose of operation and production for a term of 5 years w.e.f. 1<sup>st</sup> July, 2014 for the amount as mentioned above and also proposed to be entered into the lease agreement with your company for taking a part of the Land situated at Plot No. 319, Village – Baska, Halol, Dist : Panchmahal, Gujarat – 389350

- The Company is taking your approval for availing / rendering services up to Rs. 10 Crores per annum w.e.f. 1<sup>st</sup> July, 2014 for the job work services as require for getting the work done by both the companies i.e. Royal Cushion Vinyl Products Limited and Natroyal Industries Private Limited with each other on various assignment basis.

e) Any other information relevant or important for the members to take a decision on the proposed resolution: NIL

Members are hereby informed that pursuant to second proviso of section 188(1) of the 2013 Act, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board meeting held on 10<sup>th</sup> June, 2014 and recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

No member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party in the context of this resolution.

All the Directors and Key Managerial Personnel except Mr. H. K. Bijlani are interested in the resolution set out respectively at Item No. 9 of the Notice.

The relatives of Directors and Key Managerial Personnel except of Mr. H. K. Bijlani may be deemed to be interested in the resolution set out respectively at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Item No. 10:

Under the provisions of Section 186 of the Companies Act 2013, the powers for making investments in Shares, Debentures, Securities of the other bodies corporate and/or various Schemes of Mutual Funds and/or other funds, to give loans to any other body corporate, to give any other guarantee and/or provide any other security, in connection with a loan made by any other person to, or to any other person by, any body corporate including providing security can be exercised by the Board with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain approval of the shareholders by means of a Special Resolution, for the authorizing the Board to exercise aforesaid powers, 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, as prescribed under Section 186 of the Companies Act, 2013 from time to time, in one or more tranches, up to maximum limit of Rs. 5 Crores notwithstanding that investments along with Company's existing loans or guarantee / security or investments shall be in excess of the limits prescribed under Section 186 or upto the limits so prescribed under Section 186, whichever is higher.

The Board commends the Resolution at Item No.10 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of the Resolution at Item No.10 of the accompanying Notice.

BY ORDER OF THE BOARD  
For Royal Cushion Vinyl Products Limited

Sd/-  
H. K. Bijlani  
General Manager Legal & Company Secretary

Mumbai, 10<sup>th</sup> June, 2014  
Registered Office  
Royal Cushion Vinyl Products Limited,  
Shlok, 60CD, Govt. Industrial Estate,  
Charkop, Kandivali (West), Mumbai - 400 067  
CIN No. – L24110MH1983PLC031395  
Website: www.natroyalgroup.com

## DIRECTORS' REPORT

To

The Members of  
Royal Cushion Vinyl Products Limited,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

## 1) Financial Results

Particulars	(Rs. In Lakhs)	
	Current year ended 31.03.2014	Previous year ended 31.03.2013
Revenue from operations (Net)	6172.23	4952.39
Other Income	8.17	13.32
Total Income	6180.40	4965.71
Total Expenditure	7496.81	5990.72
Profit / (loss) before interest and depreciation	(1316.41)	(1025.01)
Add: Finance & Bank Charges	1125.12	1464.32
Depreciation	770.42	790.94
Prior year's expenses	(2.81)	(15.44)
Loss before Exceptional item	(3214.76)	(3295.71)
Exceptional item	Nil	Nil
Loss for the year	(3214.76)	(3295.71)

## 2) Performance

The Company has achieved turnover of Rs.6172.22 Lakhs as against Rs. 4952.39 Lakhs in the previous year. The registration increase of 25% due to increase in production volume.

## 3) Dividend

In view of losses, the Board of Directors is unable to declare any dividend for the year 2013-2014.

## 4) Status With BIFR

"As reported in the earlier Annual Reports, the Company has been registered with BIFR since September, 2002. The BIFR in its last hearing held on March 12, 2014, and the Bench directed the Board's office to re-examine the DRS submitted by IDBI (OA) for early circulation, if found viable.

## 5) Management and Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

## 6) Fixed Deposits

The Company has not received any deposit from Public during the year. The Auditor has given the Qualification and adverse remarks (Para No.6 of Annexure to the Auditor's Report) in respect of Section 73 of the Companies Act, 2013 (Corresponding Section 58A of the Companies Act, 1956), However the Board is of the view that the amount received by the Company from its promoters/relatives are for the purpose of business and for performance of certain sales orders. Neither any application form has been filed up for these receipts nor the receipts are issued by the Company, hence these are not falling as deposits under section 73 of the Companies Act, 2013.



**7) Particulars Of Employees**

Provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975, are not applicable to the Company.

**8) Internal Control Systems and their adequacy**

The Company has adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipments and other assets and also for the sale of goods.

**9) Human Resources / Industrial Relations**

The Company has cordial industrial relations at all levels during the year under review.

**10) Directors**

Mr. Jayesh A. Motasha (DIN No. - 00054236) and Mr. Deepak A. Motasha (DIN No. - 00060092), Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their reappointment. (Details are furnished under Notice).

**11) Directors' Responsibility Statement**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2014 the applicable accounting standards/practices had been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a going concern basis.

**12) Corporate Governance**

A separate report on Corporate Governance is annexed hereto as Annexure "A".

**13) Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure**

The particulars of energy conservation, technology absorption and foreign exchange earnings and outgo, as applicable to the Company are as per Annexure "B" attached to the report.

**14) Auditors' Remarks & Appointment**

As regards the remarks & Qualifications in the Auditor's Report, please refer to the Notes forming Part of the Accounts which are self-explanatory. Further the Auditor has given the Qualification and adverse remarks (Para No. 6 of Annexure to the Auditor's Report) in respect of Section 58A of the Companies Act, 1956, however the Board is of the view that the amount received by the Company from its promoters/ relatives are for the purpose of business and for performance of certain sales orders. Neither and application from has been filed up for these receipts nor the records are issued by the Company, hence these are not falling as deposits under Section 58A of the Companies Act, 1956.

M/s. Chandrakant & Sevantilal & J. K. Shah & Co., Chartered Accountants, Vadodara (Firm Registration no. 101676W) will retire as Auditors at the ensuing Annual General Meeting and are eligible for re-appointment.

You are requested to appoint Auditors.

The Company has received a letter from them to the effect that their re-appointment, if made would be within the limits specified under Section 141 of the Companies Act, 2013.

#### 15) Cost Auditors

M/s. Kallol Banbyopadhyay & Co. were appointed as Cost Auditors for auditing the Cost Accounts of the Company for the financial year 2013-14

The Cost Audit reports are required to be filed within 180 days from the end of the financial year.

The Cost Audit reports for the financial year ended 31<sup>st</sup> March, 2014 will be filed in due course.

#### 16) Acknowledgement

The Directors wish to place on record their appreciation for the co-operation and support received from Financial Institutions, Banks, BIFR, Customers and other Government agencies. Your Directors place on record their appreciation for the services rendered by Employees during the critical period of the Company.

On Behalf of the Board of Directors  
For Royal Cushion Vinyl Products Limited

Place: Mumbai  
Date: 10<sup>th</sup> June, 2014

Sd/-  
Mahesh K. Shah  
Chairman & Managing Director  
(DIN 00054351)

Sd/-  
Jayesh A. Motasha  
Director  
(DIN 00054236)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company is primarily engaged in manufacturing of PVC products which are widely used for household, offices, shops, health club, etc. The Company has developed new product for transport office and domestic application.

### OPPORTUNITIES AND THREATS:

The Company is amongst the market leaders in PVC vinyl flooring segment. Recently, Company has made arrangement for working capital finance. This will help the Company to improve the performance in the following years.

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company's prime business is manufacture of PVC products and therefore, there are no separate segments.

### OUTLOOK:

With the introduction of high value added products for bus segment in local market, the Company is optimistic about the growth in the coming years.

### RISKS & CONCERNS:

The main cause of concern is cheaper imports of finished products. The Company is focusing on shifting the product mix towards the high end product for better realization.

## REPORT ON CORPORATE GOVERNANCE

(Annexure "A" forming part of Directors' Report in terms of Clause 49 of the Listing Agreement)

### Corporate Governance :

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibility. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc.

#### 1. Brief statement on Company's philosophy on code of Corporate Governance

The Company will endeavor to continuously earn trust and respect of the Members, lenders and other stake holders, over a sustained period of time and will be providing adequate information to the shareholders, effective control and management of Organization with commitment for its growth.

#### 2. Board of Directors

As on 01<sup>st</sup> April, 2014 the Board comprises two Executive Directors and four Non Executive Directors. During the year 2013-2014 the Board met 4 times on the following dates, namely 30<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 31<sup>st</sup> October, 2013 and 06<sup>th</sup> February, 2014.

The attendance of each Director at the Board Meeting & the last AGM etc was as follows:

Sr. No	Name of the Director	Category of Director	No. of Board Meeting Attended	Attended Last AGM	Other Director -ships	Sitting Fees	Committee Membership	Committee Chairmanships
1.	Mr. Mahesh K. Shah	Executive, Promoter	4	Yes	1	Nil	Nil	Nil
2.	Mr. Vinod K. Shah	Executive, Promoter	4	Yes	1	Nil	Nil	Nil
3.	Mr. Arvind V. Motasha	Non-Executive, Promoter	2	Yes	-	Nil	3	1
4.	Mr. Deepak A. Motasha	Non-Executive, Promoter	2	Yes	-	Nil	3	1
5.	Mr. Mukesh A. Motasha	Non-Executive, Promoter	4	Yes	1	Nil	Nil	Nil
6.	Mr. Jayesh A. Motasha	Non-executive, Promoter	4	Yes	2	Nil	3	1

As the Company is under BIFR (Sick Company), the management was unable to attract and the induct Professional and Independent Directors to meet the requirements of Clause 49 of the Listing agreement.

This fact has been reported to the Bombay Stock Exchange from time to time.

#### 3. Audit Committee

The Audit Committee comprises 3 Non-Executive Directors and Company Secretary acts as Secretary of the Committee. During the year 2013-2014, the Audit Committee held 4 meetings 30<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 31<sup>st</sup> October, 2013 and 06<sup>th</sup> February, 2014. The role reference of the Audit Committee are stipulated under clause 49 of the Listing Agreement and Section 292A of Companies Act, includes overseeing financial reporting process reviewing with the management & financial statement.

The Composition and other particulars of the attendance of the members of the committee held during the year are as under:

Sr.No.	Name of the Member	Meeting Attended
1.	Mr. Deepak A. Motasha - Chairman	3
2.	Mr. Arvind V. Motasha - Member	2
3.	Mr. Jayesh A. Motasha - Member	4

Mr. H. K. Bijlani, Company Secretary acts as a Secretary of the Committee.

#### 4. Shareholders' / Investors' Grievance Committee

- a) Composition: The Committee comprises 3 Non-Executive Directors with Company Secretary of the Company to act as the compliance officer. During the year it held 4 meetings 12<sup>th</sup> August, 2013, 31<sup>st</sup> October, 2013, 06<sup>th</sup> February, 2014 and 31<sup>st</sup> March 2014.
- b) Investors' Complaints: The Company has not received any complaints from investors. There were no share transfers pending for registration for more than 30 days as on 31.03.2014.

#### 5. Remuneration Committee

The Remuneration Committee consist of 3 Non Executive Directors namely Mr. Jayesh A. Motasha, Mr. Arvind V. Motasha and Mr. Deepak A. Motasha. Broad terms of reference of Remuneration committee included recommendation to the Board for salary/ perquisites payable to the Managing Director / Whole time Directors.

Details of Remuneration paid for the year 2013-2014 are as under: (Rs. in Lacs)

Sr.No.	Name	Salary	Perquisites
1.	Mr. Mahesh K. Shah	4.50	1.45
2.	Mr. Vinod K. Shah	4.44	1.35

The above Directors are entitled to get the remuneration of Rs. 15.00 Lakhs p.a. (Mr. Mahesh Shah) and Rs. 9.00 Lakhs p.a. (Mr. Vinod Shah) respectively. As the Company is passing through Liquidity Crunch including paucity & shortage of working capital facilities and therefore the above Directors has drawn only minimum salary of Rs. 5.95 Lakhs p.a. and Rs. 5.79 Lakhs p.a respectively and Balance Salary and perquisites have been forfeited.

Notice period for termination of appointment of Managing/ Executive Directors is three months on either side. Presently the Company does not have a scheme for grant of stock options either to the Executive Directors or employees.

No sitting fees is paid to any of the Directors for attending Board Meetings/ Audit Committee / Shareholders' grievance committee/ Investor Grievance Committee or Remuneration Committee as our Company is under BIFR (Sick).

#### 6. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and senior Management of the Company. The Board Members and senior Management personnel have affirmed their compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the CFO has been obtained.

#### 7. General Body Meetings

The details of the last three Annual General Meetings of the Company were held as under:

Year-	2010-2011	2011-2012	2012-2013
Date :	30.09.2011	28.09.2012	30.09.2013
Time	11.30 a.m.	11.30 a.m.	3.30 p.m.
Venue	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai - 400 067.	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai - 400 067.	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai - 400 067.

Mr. H. K. Bijlani, Company Secretary is Compliance Officer.

The functions and powers of the Shareholders / Investors Grievance Committee include review and redressal of complaints received from Shareholders relating to transfers, non receipt of balance sheet, etc.

Number of shareholders complaints received during the year : NIL

Number of Complaints solved to the satisfaction of shareholders during the year : NIL

Number of pending Complaint as on 31.03.2014 : NIL

Number of Share Transfer pending for approval as at 31.03.2014 : NIL

## 8 Disclosures

- a) The Company has not entered into any material significant transactions with its promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company at large during the year.
- b) The Company has complied with the requirements of the regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company by Stock Exchange or SEBI or any statutory authority during the last three years.

## 9. Means of Communication

The quarterly Unaudited and Audited yearly results were published in Financial Express (English) & Mahanayak (Marathi) newspapers.

The Management Discussion and Analysis Report has been covered in Director's Report.

## 10. General Shareholder information

## A. Annual General meeting

Date and Time

30<sup>th</sup> September, 2014 at 3.00 p.m.

Venue

At Conference Room 60 CD, Shlok, 2nd Floor, Government Industrial Estate, Charkop, Kandivali (West), Mumbai - 400 067

## B. Financial Calendar

Financial Reporting for 1<sup>st</sup> Quarter ending 30<sup>th</sup> June, 2014

April 01, 2014 to March 31, 2015

Financial Reporting for 2<sup>nd</sup> Quarter ending 30<sup>th</sup> Sept, 2014

On or before August 14, 2014

Financial Reporting for 3<sup>rd</sup> Quarter ending 31<sup>st</sup> Dec, 2014

On or before November 14, 2014

Audited Results for the year ending March, 2015

On or before the February 14, 2015

On or before May 30, 2015

## C. Date of Book closure

Beginning Wednesday, 24<sup>th</sup> September, 2014 to Friday 26<sup>th</sup> September, 2014 (both days inclusive)

## D. Dividend payment date

Not applicable

## E. Listing on Stock Exchanges

Bombay Stock Exchange Ltd.

## F. Stock Code

Bombay Stock Exchange Ltd.,  
Mumbai, Scrip Code : 526193

Demat ISIN No. CDSL &amp; NSDL: INE618A01011

## G. Market price data (High, Low Market price on Bombay Stock Exchange during each month of the financial year.

Month	Price		Total No. of Shares Traded
	High (Rs.)	Low (Rs.)	
April' 2013	7.35	7.00	20
May' 2013	—	—	—
June' 2013	6.99	6.99	500
July' 2013	—	—	—
August' 2013	—	—	—
September' 2013	7.00	7.00	125
October' 2013	—	—	—
November' 2013	7.35	6.99	1,526
December' 2013	—	—	—
January' 2014	6.65	5.90	1,24,108
February' 2014	5.67	5.07	337
March' 2014	4.82	3.10	3,29,848

#### H. Address for correspondence

- a) Registrar and Share Transfer Agent  
M/s. Universal Capital Securities Private Limited  
(Formerly Known as M/s. Mondkar Computers Private Limited)  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093.  
Tel No. 022- 28366620 / 28257641 / 28262920
- b) Company's Share Department and compliance officer for Investor Grievance Redressal  
Mr. H. K. Bijlani is the Company Secretary and compliance officer and will be available at the following.  
Registered Office address:  
Royal Cushion Vinyl Products Limited.  
60 CD "SHLOK" Government Ind. Estate,  
Charkop, Kandivali (West), Mumbai - 400 067  
Tel No.: 022 - 32655828 / 28603516, Fax No.: 022- 28603565  
Email : hariram.bijlani@natroyalgroup.com

#### I. Share Transfer System

M/s. Universal Capital Securities Private Limited (Formerly Known as M/s Mondkar Computers Private Limited) has been the Registrar & Transfer Agents of the Company. The share transfers which are received in physical form are processed in the cycle of 15 days and the share certificates are returned within 30 days from the date of receipt, subject to the documents being valid and complete in all respect. The power to Share Transfer has been delegated to Registrar and Transfer Agents.

Demat requests are processed and completed within an average period of 15 days from the date of receipt provided they are in order.

#### J. Distribution of shareholding as on 31<sup>st</sup> March, 2014

Range No. of equity Shares	No. of Shareholder	%	No. of Shares	%
Upto 500	2830	83.23	5,25,896	4.36
501 – 1000	253	7.44	2,00,460	1.66
1001 – 2000	120	3.53	1,83,699	1.52
2001 – 3000	42	1.24	1,05,180	0.87
3001 – 4000	24	0.71	84,405	0.70
4001 – 5000	30	0.88	1,41,174	1.17
5001 – 10000	36	1.06	2,52,986	2.10
10001 and above	65	1.91	1,05,73,412	87.62
Total	3400	100.00	120,67,212	100.00

#### K. Shareholding Pattern as on 31<sup>st</sup> March, 2014

Category	No. of Shares	% of Shareholding
Promoters (Including Foreign Promoters)	74,20,228	61.49
Mutual Fund & UTI	5,300	0.04
Banks, Financial Institutions, etc.	12,72,819	10.55
Private Corporate Bodies	5,02,658	4.17
NRIs	46,450	0.38
Indian Public	28,19,757	23.37
Grand Total	1,20,67,212	100.00

**L. Dematerialization of Shares and Liquidity**

79,17,914 (65.62%) of Equity Shares of Rs. 10/- each have been dematerialized as on 31<sup>st</sup> March, 2014

**11.CFO Certification**

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2014.

**12.Compliance**

A Certificate has been obtained from the Statutory Auditor of the Company regarding Compliance of conditions of Corporate Governance & is attached to this report.

On Behalf of the Board of Directors  
For Royal Cushion Vinyl Products Limited

Place: Mumbai  
Date: 10<sup>th</sup> June, 2014

Sd/-  
Mahesh K. Shah  
Chairman & Managing Director  
(DIN 00054351)

Sd/-  
Jayesh A. Motasha  
Director  
(DIN 00054236)

**ANNEXURE "B" TO THE DIRECTORS' REPORT**

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUT GO :**

**1. CONSERVATION OF ENERGY**

**ENERGY CONSERVATION MEASURE TAKEN :**

- Maximum demand reduced to 1800 kva from 2500 kva.
- Stop heavy load machine during peak hour period to get minimum electricity consumption.
- In office tube light replaced by 18w CFL.

**2. TECHNOLOGY ABSORPTION**

**A) R & D was specially carried out in designing & developed in products:**

- New colour developed in Ecoplus (Terracotta).
- New colour developed in Tuff.
- In Jewel range – Sunflower & Kashmir.
- In G.L range – Milano, antic, checkmate, and wood décor developed & introduced.
- New Product "Nu plank" for different wood pattern designs-Canary wood, Aspen wood, New Wood, Woody.
- New Product "Royal Opera" – Latina, Canadian pine, vintage wood, Timber, Maple oak, Patina. For offices & residential flooring developed & introduced to market.
- New Product "Royal Majesty" – French Oak, Spanish wood, Pine wood, Cambridge, Opal, for commercial & residential flooring developed & introduced to market.
- New product "Dazzle", "Accord" & "Mirakle" (2 X 2) developed & introduced to market.

**B) Future Plans**

- To develop more products for local, export market as well as industry.

**3. FOREIGN EXCHANGE EARNING AND OUTGO :**

(` in Lacs)

Sr. No.	Particulars	Current Year ended on 31.03.2014	Previous Year ended on 31.03.2013
1.	Fob value of Export	Nil	Nil
2.	Foreign exchange outgo		
	Import of Raw material	959.16	910.58
	Stores & Spares	16.66	39.74
3.	Foreign Travels	1.46	0.88

## Independent Auditors' Report

To,  
The Members,  
ROYAL CUSHION VINYL PRODUCTS LIMITED

Report on Financial Statements :

1. We have audited the accompanying Financial Statements of ROYAL CUSHION VINYL PRODUCTS LIMITED which comprise the Balance Sheet as at 31st March 2014, the statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

2. Management is responsible for the preparation of these Financial Statements that give true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956 ("the act") This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give fair view and free from material misstatement, whether due to fraud or error.

Auditors' Responsibility :

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements subjects to:

- i) Non disclosure of amount(s) owned to small and medium scale industrial undertakings (Refer Note No. :- 29)
- ii) Non reconciliation of accounts and balances in respect of Loans from Banks / Financial Institutions. (Refer Note No. : 33)
- iii) Non provision for Gratuity liability as required by Accounting Standards 15 'Employee Benefits'. (Refer Note No. : 39)
- iv) Non-ascertainment and non-accounting of impairment loss of Assets of Unit – III as required by Accounting Standard 28 'Impairment of Assets'. (Refer Note No. : 40)

Give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- b. In the case of the statement of Profit and Loss, of the Loss for the year ended on that date
- c. In the case of Cash Flow statement, of the Cash Flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditors' Report) order, 2003 ("the order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the order.

8. As required by section 227 (3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, statement of Profit and Loss, and Cash Flows statement dealt with by this report are in agreement with the books of account
- d) In our opinion Subject to non-provision for Gratuity liability and non ascertainment and non accounting of impairment loss in respect of its Assets of Unit – III, the Balance Sheet, statement of Profit and Loss, and Cash Flow statement Comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956;
- e) On the bases of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors none of the directors is disqualified as on March 31st, 2014 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies act, 1956.

For Chandrakant & Sevantalil & J.K. Shah & Co.  
Chartered Accountants  
Firm registration number: 101676W

(H.B.SHAH)  
Partner

Place: VADODARA  
Date: 10<sup>th</sup> June, 2014

Membership Number: 016642



**ANNEXURE TO THE AUDITORS' REPORT ON THE ACCOUNTS OF  
ROYAL CUSHION VINYL PRODUCTS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014.**

(Referred to in paragraph 7 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets but, they need to be updated so as to include in the said register the addition made during each year as also allocation of the expenses capitalized to the relevant items of Fixed Assets and year wise depreciation provided in respect of each Asset.
- b) As informed, the Fixed Assets have not been physically verified by the management, during the current year. Accordingly, discrepancies, if any, cannot be ascertained and reported.
- c) There has not been any substantial disposal of fixed assets during the year.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of Inventory (excepting inadequate/no prescribed procedure for identification and determination of non-moving, slow moving and/or unusable or non saleable items of stocks) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3. a) The Company had taken unsecured loan from Twenty One companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.698895311 and the year end balance of loans taken from such companies and other parties was Rs.682428992. As per the records of the Company it has not granted any loans secured / unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- b) In our opinion, the rate of interest, where applicable, and other terms and conditions on which loans have been taken from Companies and other parties, listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- c) The Company is regular in repaying the principal amounts wherever stipulated and has been regular in the payment of interest wherever stipulated.
4. In our opinion and according to the information and explanations given to us, having regard to the fact that certain items purchased/sold are of unique and special nature and suitable alternative sources do not exist to obtain comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal controls.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, having regard to the fact that certain items purchase/sold are of unique and special nature and suitable alternative sources do not exist to obtain comparative quotations, the transactions made in pursuance of contracts or arrangements entered

into the register in pursuance to Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5.00 Lacs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and at the prices at which the transactions for similar goods have been made with other parties.

6. In Our Opinion, the Company has not complied with the provision of Section 58 A of the companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975 in so far as the return of deposit as required under Section 10 of the Act have not been filed with concerned authorities and the Company has not maintained the liquid assets as required by Rule 3(A) of Companies (Acceptance of Deposits) Rules, 1975.
7. The Company does not have an Internal Audit System.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. a) According to the records of the Company, the Company is generally not regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax deducted at source, Sales tax, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanations given to us, undisputed amounts payable in respect of Wealth tax, Custom Duty, Sales tax, Excise Duty, Fringe Benefit Tax etc which have remained outstanding as at 31st March, 2014 for a period of more than six months from the date they become payable are as under:

Name of the Statute	Nature of the dues	Amount (₹)
Customs Act, (Refer Note No.30)	Custom Duty for the various Years	73,14,09,612
Fringe Benefit Tax	For the year 2007-2008	8,44,149
	For the year 2008-2009	6,28,867

- c) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Status	Nature of Dues	Amount (₹)	Forum where dispute is pending
The Central Excise Act.	Excise Duty	5,29,617	Appellate Tribunal, Mumbai
The Central Excise Act.	Custom Duty	21,05,053	Commissioner, vadodara
The Central Excise Act.	Service Tax	2,92,730	Commissioner, vadodara
The FERA Act.	Penalty	1,00,00,000	Appellate Authority FERA New Delhi

10. The accumulated losses of the Company as at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The company has defaulted in repayment of dues to the Financial Institution and Banks for the period exceeding Five years. The Company has been registered with the Board For Industrial and Financial Reconstruction (BIFR). The Loan amount is payable after the final decision of BIFR.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not carrying on the chit fund business; hence, the provisions of any special statute applicable to chit fund are not applicable.

14. The Company is not dealing in or trading in shares, securities, debentures or other investments.
15. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
16. The Company has not taken any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments. No long-term funds have been used to finance short-term assets.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. Since the Company does not have any debenture, the question of creation of securities does not arise.
20. Since the Company has not raised money by public issue, Clause (xx) of the Order is not applicable.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Chandrakant & Sevantilal & J.K. Shah & Co.  
Chartered Accountants  
Firm registration number: 101676W

(H.B.SHAH)  
Partner

Place: VADODARA  
Date: 10<sup>th</sup> June, 2014

Membership Number: 016642

#### AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Royal Cushion Vinyl Products Limited,  
Mumbai

We have examined the compliance of conditions of Corporate Governance by ROYAL CUSHION VINYL PRODUCTS LIMITED ("the Company") for the year ended 31<sup>st</sup> March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, except that the number of independent directors in the Board of Directors was lower than 50 percent of the total strength of the Board of Directors under sub clause 1 (A) of clause 49 of the listing agreement as also the number of independent directors in the Audit Committee did not have majority and chairman of the Audit Committee is not independent Director under clause 49 II (A) of the Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month as on 31<sup>st</sup> March, 2014 against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Chandrakant & Sevantilal & J. K. Shah & Co.,  
Chartered Accounts  
Firm Registration No. 101676W

Sd/-  
(H. B. Shah)  
Partner  
Membership No. 16642

Place : Vadodara  
Date : 9th August 2014

## Balance Sheet as at 31st March, 2014

(Amount in `)

Particulars	Note No	As at 31.03.2014		As at 31.03.2013	
<b>EQUITY AND LIABILITIES</b>					
Shareholders' funds					
Share capital	2	12,06,72,120		12,06,72,120	
Reserves and surplus	3	-4,62,55,55,212	-4,50,48,83,092	-4,30,40,78,922	-4,18,34,06,802
Share Application Money Pending Allotment	4		7,39,15,000		8,74,15,000
Non-current liabilities					
Long-term borrowings	5	2,95,60,56,531		2,89,20,01,384	
Long-term provisions	6	77,40,85,959	3,73,01,42,490	73,45,25,787	3,62,65,27,171
Current liabilities					
Short-term borrowings	7	-		30,00,000	
Trade payables	8	50,77,64,794		25,29,00,388	
Other current liabilities	9	97,64,82,089		1,01,32,73,990	
Short-term provisions	10	14,73,016	1,48,57,19,899	14,73,016	1,27,06,47,394
	TOTAL `		<u>78,48,94,297</u>		<u>80,11,82,763</u>
<b>ASSETS</b>					
Non-current assets					
Fixed assets					
Tangible assets	11	37,29,91,001		44,06,96,645	
Non-current investments	12	25,04,353		25,25,502	
Long-term loans & advances	13	10,90,38,600	48,45,33,954	10,88,87,605	55,21,09,752
Current assets					
Inventories	14	24,62,24,812		19,60,96,594	
Trade receivables	15	3,62,75,966		1,91,97,849	
Cash and cash equivalents	16	62,27,286		46,79,118	
Short-term loans and advances	17	1,12,23,343		2,86,90,514	
Other current assets	18	4,08,936	30,03,60,343	4,08,936	24,90,73,011
	TOTAL `		<u>78,48,94,297</u>		<u>80,11,82,763</u>
Significant Accounting Policies & Notes on Financial Statements	1 to 47				

As per our report of even date  
For CHANDRAKANT & SEVANTILAL & J. K. SHAH & CO.  
Chartered Accountants  
Firm Reg. No. 101676W

H. B. Shah  
(Partner)  
Membership No. 16642

for ROYAL CUSHION VINYL PRODUCTS LTD.

M. K. SHAH J. A. MOTASHA  
(Chairman & Managing Director) (Director)

H.K.BIJLANI  
(Company Secretary)

Place : VADODARA  
Date : 10<sup>th</sup> June, 2014

MUMBAI  
Date : 10<sup>th</sup> June, 2014

## Profit and Loss Statement for the year ended 31st March, 2014

(Amount in `)

Particulars	Note No.	Year ended 31.03.2014 (`)	Year ended 31.03.2013 (`)
Revenue from Operations	19	67,83,87,432	54,81,95,992
Less: Excise Duty		<u>6,11,64,841</u>	<u>5,29,56,684</u>
Revenue from Operations (Net)		61,72,22,591	49,52,39,308
Other income	20	8,17,055	13,32,469
Total Revenue		<u>61,80,39,646</u>	<u>49,65,71,777</u>
Expenses:			
Cost of Materials Consumed	21	57,18,86,833	41,71,22,998
Changes in Inventories of Finished Goods & Work-In-Progress	22	-4,62,56,136	-1,87,17,477
Employee Benefits Expense	23	4,85,43,337	4,29,65,212
Finance Costs	24	11,25,12,022	14,64,32,426
Depreciation & Amortization Expense	11	7,70,42,435	7,90,94,040
Other Expenses	25	<u>17,55,06,806</u>	<u>15,77,01,585</u>
Total expenses		<u>93,92,35,297</u>	<u>82,45,98,784</u>
Loss for the year		<u>-32,11,95,651</u>	<u>-32,80,27,007</u>
Prior Year Items (Net of Income and Expense)		-2,80,639	-15,43,787
Loss before Exceptional Item		<u>-32,14,76,290</u>	<u>-32,95,70,794</u>
Exceptional Income		-	-
Loss Before Tax		-32,14,76,290	-32,95,70,794
Tax Expenses		-	-
Loss for the Year		<u>-32,14,76,290</u>	<u>-32,95,70,794</u>
Earnings per Equity Share of Face Value of ` 10/- each			
Basic & Diluted		(26.64)	(27.31)
Significant Accounting Policies & Notes on Financial Statements	1 to 47		

As per our report of even date  
For CHANDRAKANT & SEVANTILAL & J. K. SHAH & CO.  
Chartered Accountants  
Firm Reg. No. 101676W

H. B. Shah  
(Partner)  
Membership No. 16642

Place : VADODARA  
Date : 10<sup>th</sup> June, 2014

for ROYAL CUSHION VINYL PRODUCTS LTD.

M. K. SHAH  
(Chairman & Managing Director)

J. A. MOTASHA  
(Director)

H.K.BIJLANI  
(Company Secretary)

MUMBAI  
Date : 10<sup>th</sup> June, 2014

## CASH FLOW STATEMENT

(Amount in `)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (Loss) before Tax, extra-ordinary Items & Prior Period Expenses / Income	(32,11,95,651)	(32,80,27,007)
Adjustment for :		
Depreciation	7,70,42,435	7,90,94,040
Prior Year Items (Net of Income and Expenses)	(2,80,639)	(15,43,787)
Finance Cost	11,25,12,022	14,64,32,426
Interest Received	(7,85,555)	(8,37,126)
(Profit)/Loss on Sale of fixed assets (net)	19,680	9,722
Lease Rent	(31,500)	(31,500)
Share of loss from Partnership firm	21,349	(3,57,559)
Provision for Doubtful Debts Written Back-	—	(73,552)
Dividend Received	—	18,84,97,792
Operating profit before working capital changes	—	13,26,97,859
Adjustment for :		
Inventories	(5,01,28,218)	(3,30,33,293)
Trade & Other Receivables	(1,70,78,117)	24,95,657
Loans & Advances	1,73,16,176	(11,14,76,474)
Trade Payables	25,48,64,406	(4,65,95,922)
Other current liabilities	(3,67,91,901)	12,20,64,595
Provisions	3,95,60,172	20,77,42,518
Cash generated from operation	7,50,44,659	3,75,96,127
Cash after Extraordinary items	7,50,44,659	(2,89,49,310)
Net Cash from operating activities	7,50,44,659	(13,43,16,385)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(93,81,466)	(9,28,584)
Sale of fixed assets	24,995	1,99,524
Sale of investments	21,149	—
Purchase of Investment	—	(3,57,559)
Interest Received	7,85,555	8,37,126
Lease Rent	31,500	31,500
Share of loss from Partnership firm	(21,349)	3,57,559
Provision for Doubtful Debts written back	—	73,552
Dividend Received	—	32,732
Net Cash Used for Investing Activities	(85,39,616)	2,45,850
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing	6,10,55,147	28,29,06,037
Share application money	(1,35,00,000)	—
Interest paid	(11,25,12,022)	(14,64,32,426)
Net Cash Used from Financing Activities	(6,49,56,875)	13,64,73,611
Net Increase in cash and cash collection ( A+B+C)	15,48,168	24,03,076
Cash &Cash Equivalents at the beginning of the year	46,79,118	22,76,042
Cash & Cash Equivalents at the end of the year	62,27,286	46,79,118

As per our report of even date  
For CHANDRAKANT & SEVANTILAL & J. K. SHAH & CO.  
Chartered Accountants  
Firm Reg. No. 101676W  
H. B. Shah  
(Partner)  
Membership No. 16642

for ROYAL CUSHION VINYL PRODUCTS LTD.

M. K. SHAH J. A. MOTASHA  
(Chairman & Managing Director) (Director)

H.K.BIJLANI  
(Company Secretary)

Place : VADODARA  
Date : 10<sup>th</sup> June, 2014

MUMBAI  
Date : 10<sup>th</sup> June, 2014

## NOTES 2 TO 18 FORMING PART OF THE BALANCE SHEET

## Notes on Financial Statements for the year ended 31st March, 2014

## 2. Share Capital

Particulars	As at 31.03.2014	As at 31.03.2013
Authorised : 30,000,000 (Previous year 30,000,000) Equity Shares of ` 10/- each	<u>30,00,00,000</u>	<u>30,00,00,000</u>
Issued, Subscribed & Paid up 12,067,212 ( Previous Year 12,067,212) Equity Shares of ` 10/- each fully paid up	<u>12,06,72,120</u>	<u>12,06,72,120</u>
Total	<u>12,06,72,120</u>	<u>12,06,72,120</u>

## 2.1) Rights of Equity Shareholders

The Company has only one class of equity share of ` 10/- per share. Each Share holder of equity shares is entitled to one vote per share.

## 2.2) Reconciliation of the shares outstanding and amount of share capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Numbers	(`)	Numbers	(`)
Shares outstanding at the beginning of the year	1,20,67,212	12,06,72,120	1,20,67,212	12,06,72,120
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>1,20,67,212</u>	<u>12,06,72,120</u>	<u>1,20,67,212</u>	<u>12,06,72,120</u>

## 2.3) Details of Shareholders holding more than 5% shares.

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Bhaktavatsala Trading & Consultancy Services Pvt.Ltd.	8,90,360	7.38	8,90,360	7.38
2 Sahishnu Trading & Consultancy Services Pvt.Ltd.	6,39,490	5.30	6,39,490	5.30
3 Shreedaha Trading & Consultancy Services Pvt.Ltd.	6,40,050	5.30	6,40,050	5.30
4 Sughosh Trading & Consultancy Services Pvt.Ltd.	6,39,460	5.30	6,39,460	5.30
5 Trilokatma Trading & Consultancy Services Pvt.Ltd.	8,90,360	7.38	8,90,360	7.38
6 Lapada (Mauritius) Limited	28,80,000	23.87	28,80,000	23.87

## 3. Reserves &amp; Surplus

a. Capital Reserves per the last balance sheet	6,49,080	6,49,080
b. Securities Premium Reserve as per the last balance sheet	72,32,25,231	72,32,25,231
c. Investment allowance Reserve as per the last balance sheet	<u>45,34,000</u>	<u>45,34,000</u>
	72,84,08,311	72,84,08,311
d. Surplus/Deficit in the statement of Profit & Loss		
Opening Balance	-5,03,24,87,233	-4,70,29,16,439
Add : Loss for the year	-32,14,76,290	-32,95,70,794
Closing Balance	<u>-5,35,39,63,523</u>	<u>-5,03,24,87,233</u>
Total	<u>-4,62,55,55,212</u>	<u>-4,30,40,78,922</u>

## NOTES 2 TO 18 FORMING PART OF THE BALANCE SHEET

## 4. SHARE APPLICATION MONEY

Particulars	As at 31.03.2014	As at 31.03.2013
Promoters & Others	7,39,15,000	8,74,15,000
Total	<u>7,39,15,000</u>	<u>8,74,15,000</u>

4.1) The Company has been registered with The Board For Industrial and Financial Reconstruction (BIFR) since Sep,2002. The Promoters of the Company are required to bring additional funds as per Draft Rehabilitation Scheme filed before BIFR. Accordingly the Promoters have brought funds as share application money and also brought share application money from business associates. The shares will be issued to Promoters & others associates in the manner approved by BIFR and subject to other approval as may be required.

## 5. Long Term Borrowings

Particulars	As at March 31, 2014		As at March 31, 2013	
	Current	Non Current	Current	Non Current
<u>Secured</u> <u>Term loans from Banks :</u> <u>Bank of India</u> (Refer Note No.33) Secured by way of first charge ranking pari passu with Exim Bank, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created / to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of directors of the Company		28,41,78,176		28,41,78,176
<u>Exim Bank</u> Secured by way of first charge ranking pari passu with Bank of India, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created / to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of directors of the Company		1,82,72,560		1,82,72,560
<u>Global Trust Bank (OBC)</u> Secured by way of first charge ranking pari passu with Bank of India, Exim Bank, Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of directors of the Company		3,25,61,049		3,25,61,049



## NOTES 2 TO 18 FORMING PART OF THE BALANCE SHEET

Particulars	As at March 31, 2014		As at March 31, 2013	
	Current	Non Current	Current	Non Current
<u>IDBI</u> Secured by way of first charge ranking pari-passu with Bank of India, Exim Bank and Global Trust Bank (OBC), on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital & further secured by personal guarantees of directors of the company.		1,25,75,45,414		1,25,75,45,414
<u>Saraswat Co-op Bank Ltd.</u> Secured by way of first charge ranking pari-passu with Bank of India, Exim Bank IDBI and Global Trust Bank (OBC) on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and future secured by personal guarantee of directors of the Company.		17,71,38,264		17,71,38,264
<u>Swaminarayan Co-op Bank Ltd.</u> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company		22,14,671		22,14,671
<u>Baroda Peoples Co-op Bank Ltd.</u> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company		19,44,225		19,44,225
<u>Panchmahal Dist. Co-op Bank Ltd.</u> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company		82,00,934		82,00,934
<u>Baroda City Co-op Bank Ltd.</u> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company		32,68,089		32,68,089
<u>Mandvi Co op. Bank Ltd.</u> Secured by Vehicles		49,095		49,095
<u>Term loans from Financial Institutions : G.S.F.C.</u> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company		1,15,18,041		1,15,18,041

## NOTES 2 TO 18 FORMING PART OF THE BALANCE SHEET

Particulars	As at March 31, 2014		As at March 31, 2013	
	Current	Non Current	Current	Non Current
<u>Kirloskar Inv. and Finance Ltd.</u>		73,07,824		73,07,824
Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of directors of the Company				
<u>Lloyd Finance Ltd.</u>	5,62,715		4,65,054	
Secured by Vehicles & personal guarantee of directors of the Company				
<u>Sundaram Capital Ltd.</u>	—		2,26,830	
Secured by Vehicles & personal guarantee of directors of the Company				
<u>Unsecured</u>				
From Banks		45,86,64,195		44,68,03,055
From Company		68,34,75,751		62,04,93,992
From Directors		49,53,243		20,85,995
From Others		47,65,000		1,84,20,000
Total	<u>5,62,715</u>	<u>2,95,60,56,531</u>	<u>6,91,884</u>	<u>2,89,20,01,384</u>

Particulars	As at 31.03.2014	As at 31.03.2013
6. Long Term Provisions		
<u>Provision for Employee Benefits</u>		
Provision for Gratuity	6,64,206	6,64,206
Provision for Leave Benefits	41,87,067	24,51,969
Provision for Customs duty including interest (Refer Note No.30)	76,92,34,686	73,14,09,612
Total	<u>77,40,85,959</u>	<u>73,45,25,787</u>
7. Short Term Borrowings		
<u>LOAN</u>		
Unsecured		
From Company	—	30,00,000
Total	<u>—</u>	<u>30,00,000</u>
8. Trade Payables		
Sundry Creditors	50,77,64,794	25,29,00,388
Total	<u>50,77,64,794</u>	<u>25,29,00,388</u>
9. Other current liabilities		
(a) Current maturities of long-term debt (Refer Note No.5)	5,62,715	6,91,884
(b) Interest accrued and due on borrowings	79,39,26,724	75,22,30,302
(c) Advance from Customers	17,12,78,768	24,99,03,664
(d) Statutory Liabilities	85,58,977	1,02,30,138
(e) Deposits	65,000	65,000
(f) Advance for sale of Land	11,10,153	1,24,874
(g) Other Liabilities	9,79,752	28,128
Total	<u>97,64,82,089</u>	<u>1,01,32,73,990</u>
10. Short Term Provisions		
(a) Provision For FBT	14,73,016	14,73,016
Total	<u>14,73,016</u>	<u>14,73,016</u>

## NOTES 2 TO 18 FORMING PART OF THE BALANCE SHEET

11. FIXED ASSETS									
Fixed Assets Particulars	Gross Block			Depreciation			Net Block		
	As at 1st April 2013	Additions for the year	Deductions	As at 31st Mar, 2014	As at 1st April 2013	for the year	Deductions	As at 31st Mar, 2014	As at 31st March 2013
Tangible Assets									
Land (Freehold)	48,70,698	-	-	48,70,698	-	-	-	48,70,698	48,70,698
Factory Buildings	17,00,69,961	32,30,842	-	17,33,00,803	8,66,69,131	52,33,883	-	8,13,97,789	8,34,00,830
Other Buildings	63,71,144	-	-	63,71,144	15,00,965	1,03,850	-	47,66,329	48,70,179
Plant & Equipment	1,56,89,11,920	57,01,126	-	1,57,46,13,046	1,22,67,94,805	7,11,45,412	-	27,66,72,829	34,21,17,115
Furniture & Fixtures	1,24,60,879	1,71,527	-	1,26,32,406	1,13,26,795	2,23,368	-	10,82,243	11,34,084
Vehicles	1,15,51,424	-	8,93,500	1,06,57,924	95,36,514	1,20,296	8,48,825	18,49,939	20,14,910
Office Equipment	1,65,27,020	2,77,971	-	1,68,04,991	1,42,38,191	2,15,626	-	23,51,174	22,88,829
<b>Total Rs.</b>	<b>1,79,07,63,046</b>	<b>93,81,466</b>	<b>8,93,500</b>	<b>1,79,92,51,012</b>	<b>1,35,00,66,401</b>	<b>7,70,42,435</b>	<b>8,48,825</b>	<b>37,29,91,001</b>	<b>44,06,96,645</b>
Previous Year's Total	1,79,17,10,141	9,28,584	18,75,679	1,79,07,63,046	1,27,26,38,794	7,90,94,040	16,66,433	44,06,96,645	51,90,71,347

## NOTES 2 TO 18 FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2014	As at 31.03.2013
12. Non Current Investments		
Long Term Investment (at cost)		
A Investment in Shares		
I) <u>Quoted : (Non Trade)</u>		
Equity Shares		
38,800 (PY. 38, 800) equity shares in Industrial Development Bank of India of ` 10/- each	50,44,000	50,44,000
Less : Allotment money payable	42,12,147	42,12,147
	<u>8,31,853</u>	<u>8,31,853</u>
Less : Provision for Diminution in value of Investment	8,31,853	8,31,853
	<u>—</u>	<u>—</u>
ii) <u>Unquoted : (Non Trade) in Equity</u>		
<u>Investment in Shares of Subsidiary Company :</u>		
4,50,200 Shares (PY.4,50,200) in Euro Royal Flor Limited (U.K.) of STGpound 1(one) each fully paid up.	25,931,404	25,931,404
Less : provision for diminution in value of investment	25,931,404	25,931,404
	<u>—</u>	<u>—</u>
30,000 (PY 30,000) equity shares in Amitabh Bachchan Corporation Ltd of ` 10/- each fully paid up. \ (declared as sick company )	24,75,000	24,75,000
Less : Provision for Diminution in value of Investment	24,75,000	24,75,000
	<u>—</u>	<u>—</u>
5,010 (PY 5,010) shares in Swaminarayan Co-op Bank Ltd of ` 25/- each fully paid up.	1,25,250	1,25,250
12,500 (PY.12,500) shares in Baroda Peoples Co-op Bank Ltd of ` 10/- each fully paid up.	1,25,000	1,25,000
7,500 (P.Y.7,500) shares in Baroda City Co-op Bank Ltd. of ` 10/- each fully paid up.	75,000	75,000
1,000 (P.Y.1,000)shares in Saraswat Co-op Bank Ltd. of ` 10/- each fully paid up.	10,000	10,000
1,083 (P.Y.1,083) shares in Mandvi Co-op Bank Ltd. of ` 10/- each fully paid up.	10,830	10,830
	<u>3,46,080</u>	<u>3,46,080</u>
B <u>Government Securities</u>		
National Saving Certificates ( Pledged with Government Authorities )	2,000	2,000
C <u>Investment by way of capital in a partnership firm</u>		
Creative Investment	21,56,273	21,77,422
	<u>25,04,353</u>	<u>25,25,502</u>
Total		
Aggregate amount of quoted investments	8,31,853	8,31,853
Aggregate amount of unquoted investments	2,87,54,484	2,87,54,484
Aggregate amount of Market Value of quoted investments	Nil	Nil
Aggregate Provision for the diminution in Value of investments	2,92,38,257	2,92,38,257

## NOTES 2 TO 18 FORMING PART OF THE BALANCE SHEET

Particulars	As at 31.03.2014	As at 31.03.2013
13. Long Term Loans & Advances		
Sicom Limited for settlement of due to bank (Refer note no.37)	9,32,00,000	9,32,00,000
Deposits	1,58,38,600	1,56,87,605
Total	<u>10,90,38,600</u>	<u>10,88,87,605</u>
13.1) Including rent deposit of ₹ 60,00,000 (P.Y. ₹ 60,00,000) given to MV Trust Properties in which directors are interested		
14. Inventories		
Raw materials	7,50,03,081	7,18,41,549
Work-in-progress	8,96,33,351	7,63,92,699
Finished goods	7,15,23,307	3,85,07,823
Packing Materials	28,67,902	15,77,765
Consumable Stores	69,38,171	72,43,610
Fuel	2,59,000	5,33,148
Total	<u>24,62,24,812</u>	<u>19,60,96,594</u>
15. Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	1,00,45,370	1,01,41,833
Considered Doubtful	23,45,74,220	23,45,74,220
	<u>24,46,19,591</u>	<u>24,47,16,053</u>
Less : Provision for Doubtful Debts	23,45,74,220	23,45,74,220
	<u>1,00,45,370</u>	<u>1,01,41,833</u>
Others (Considered good)	2,62,30,596	90,56,016
Total	<u>3,62,75,966</u>	<u>1,91,97,849</u>
16. Cash & Bank Balances		
a. Balances with banks	45,56,609	30,88,159
b. Fixed Deposit with banks	13,23,255	12,24,308
c. Cash on hand	3,47,422	3,66,651
Total	<u>62,27,286</u>	<u>46,79,118</u>
Fixed deposit of ₹ 13,23,255 (P.Y. ₹ 12,24,308) was held as security deposit against Bank Guarantee.		
17. Short Term Loans & Advances		
(Unsecured, considered good)		
Advance for purchase of Assets ( Refer Note No. 42)	30,80,938	21,77,812
Prepaid Expenses	6,37,921	10,59,309
Advances to Staff	13,95,650	14,12,035
Advances to Suppliers	13,54,335	1,46,76,446
Other Advances	7,416	7,416
Tax deducted at source	4,77,604	5,77,482
Balance with Excise Authorities	42,69,479	87,80,014
Total	<u>1,12,23,343</u>	<u>2,86,90,514</u>
18. Other Current Assets		
a) Advance Import Lic Receivable	4,08,936	4,08,936
Total	<u>4,08,936</u>	<u>4,08,936</u>

## NOTES 19 TO 25 FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT

Particulars	As at 31.03.2014	As at 31.03.2013
19. Revenue from Operation		
Sales of Products	67,61,50,098	54,63,81,750
Add: Exchange Rate Difference	4,49,281	—
	<u>67,65,99,379</u>	<u>54,63,81,750</u>
Other Operation Revenues		
Sale of Scrap	17,88,053	18,14,242
Total	<u>67,83,87,432</u>	<u>54,81,95,992</u>
19.1) Details Of Turnover :		
PVC Floor Covering	3,34,74,201	7,09,48,337
PVC Laminated Sheet /Tiles	64,31,25,178	45,44,93,653
PVC Leathercloth	—	2,09,39,760
Total	<u>67,65,99,379</u>	<u>54,63,81,750</u>
20. Other Income		
Interest	7,85,555	8,37,126
Dividend From Long Term Investment	—	32,732
Lease Rent	31,500	31,500
Share of profit from Partnership firm	—	3,57,559
Miscellaneous Income	—	73,552
Total	<u>8,17,055</u>	<u>13,32,469</u>
21. Cost of Material Consumed		
Opening Stock	7,18,41,549	5,53,23,754
Purchases	57,50,48,365	43,36,40,793
	<u>64,68,89,914</u>	<u>48,89,64,547</u>
Less: Closing Stock	7,50,03,081	7,18,41,549
Total	<u>57,18,86,833</u>	<u>41,71,22,998</u>
21.1) Value of Consumption of directly imported and Indigenously obtained Rawmaterials & the percentage of each to the total.		
RAW MATERIAL CONSUMED		
PVC Resin	24,93,65,702	16,10,74,046
Plasticizers	14,87,14,225	13,80,09,306
Others	17,38,06,906	11,80,39,646
Total	<u>57,18,86,833</u>	<u>41,71,22,998</u>
RAW MATERIAL CONSUMED	Amount	%
Imported	9,38,08,963	16
Indigenous	47,80,77,870	84
Total	<u>57,18,86,833</u>	<u>100</u>
22. Changes in Inventories of Finished Goods & Work-In-Progress		
Opening Stock		
Finished Goods	3,85,07,823	2,64,72,980
Work-in-process	7,63,92,699	6,97,10,065
	<u>11,49,00,522</u>	<u>9,61,83,045</u>
Less: Closing Stock		
Finished Goods	7,15,23,307	3,85,07,823
Work-in-process	8,96,33,351	7,63,92,699
	<u>16,11,56,658</u>	<u>11,49,00,522</u>
Total	<u>-4,62,56,136</u>	<u>-1,87,17,477</u>

## NOTES 19 TO 25 FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT

Particulars	As at 31.03.2014	As at 31.03.2013
22.1) details of Inventory of Finished Goods		
Cushion Vinyl Flooring	41,556	41,556
PVC Floor Covering	65,49,260	40,73,828
PVC Laminated Sheet /Tiles	6,49,32,491	3,43,92,439
Total	<u>7,15,23,307</u>	<u>3,85,07,823</u>
23. Employees Benefits Expense		
Salaries	4,47,27,565	3,88,45,104
Contribution to Provident Fund and Other Funds	18,68,013	17,76,329
Gratuity	3,95,194	10,18,103
Staff Welfare	15,52,565	13,25,676
Total	<u>4,85,43,337</u>	<u>4,29,65,212</u>
24. Finance Costs		
Interest Expenses :		
Interest on long term borrowings	11,20,13,209	13,77,38,411
Exchange Rate Difference	-	84,16,598
Bank Charges	4,98,813	2,77,417
Total	<u>11,25,12,022</u>	<u>14,64,32,426</u>
25. Other Expenses		
Consumption of stores and spares	99,13,367	90,65,083
Consumption of packing material	2,37,44,910	1,71,21,758
Power and fuel	7,99,37,623	7,07,87,780
Rent Fork lift	10,00,480	7,49,343
Lease Rent	15,96,469	15,34,913
Rates and taxes	2,27,714	5,33,652
Insurance	14,06,163	10,46,791
Electricity Charges	13,57,611	11,42,848
Repairs and maintenance		
- Plant and machinery	75,92,478	87,02,662
- Buildings	-	5,61,919
- Others	76,152	96,957
Management Fees	14,04,000	56,54,720
Design & Development	12,24,502	15,31,172
Machine Operating Charges	60,97,143	48,17,022
Payment to contractors for supply of Labour	1,71,18,492	1,50,34,807
Advertising and sales promotion	5,19,394	7,14,990
Sales Commission & Discount	1,500	8,550
Travelling and conveyance	18,24,113	10,60,931
Telephone Expense	10,34,988	11,09,919
Vehicle Expense	36,07,690	35,01,688
Legal and professional fees	19,62,610	19,98,731
Payment to auditor		
- Audit fees	2,27,400	1,84,000
- Tax Audit fees	33,000	33,000
- Taxation Matter	55,500	30,900
Donation	70,500	35,000
Share of loss from Partnership firm	21,349	-
Loss on sale of fixed assets	19,680	9,722
Freight and forwarding charges Outward	25,81,212	28,52,047
Miscellaneous expenses	1,08,50,766	77,80,681
Total	<u>17,55,06,806</u>	<u>15,77,01,585</u>

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2014**
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH, 2014**
**01 SIGNIFICANT ACCOUNTING POLICIES:**
**1.1 GENERAL:**

The financial statements have been prepared on historical cost basis and in accordance with the applicable provisions of the Companies Act, 1956 and Accounting Standards referred therein.

**1.2 REVENUE RECOGNITION:**

- (i) All revenue and expenses are accounted on accrual basis, except to the extent stated otherwise.
- (ii) Export incentives granted by Government or other authorities to encourage exports are accounted on acceptance of the claims by the authorities and/or when there is reasonable certainty that the claims would be accepted.

**1.3 USE OF ESTIMATES:**

The preparation of financial statements in conformity with the generally accepted accounting principles often requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. Any differences between the actual result and estimates are recognized in the period in which the results are known / materialised.

**1.4 FIXED ASSETS:**

Fixed assets are stated at cost net of recoverable taxes and includes amount added on revaluation less accumulated depreciation and impairment loss if any. All cost including finance cost till commencement of commercial production, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

**1.5 DEPRECIATION:**

- (i) Depreciation is provided on Straight line method at the rates and in the manner prescribed in Schedule XIV to the Company Act, 1956 except on certain Plant & Machineries which have commenced commercial production during 1992-93 and 1993-94, on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Freehold land is not amortised / depreciated.

**1.6 INVENTORIES:**

- (i) Inventories are stated at the lower of cost or net realizable value. Cost is determined on FIFO basis, and is reduced by CENVAT & VAT credits available under the respective laws. Net realizable value is determined after reducing the estimated selling cost from the estimated selling price.
- (ii) The cost of work in progress and finished goods comprises direct material, direct labour, other direct cost and related production overheads. Excise duty is included in the value of the finished goods.
- (iii) Stores and spares, parts and components are valued at cost or below the cost.

**1.7 INVESTMENTS:**

Long term investments are carried at cost. However, when there is a diminution in value other than temporary, the provision for diminution in value is made and the carrying amount of long term investments is reduced to recognise the decline. Current investments are stated at lower of cost or fair value.

**1.8 PROVISION FOR DOUBTFUL DEBTS / ADVANCES:**

Provision is made in accounts for doubtful debts / advances which in the opinion of the management are considered doubtful of recovery.



**1.9 RETIREMENT BENEFITS :**

- (i) Company's contribution to Provident Fund and Employee's Pension Scheme, 1995 are charged to Profit & Loss statement.
- (ii) For Liabilities in respect of staff gratuity, the Company had entered into an agreement with the Life Insurance Corporation of India (LIC) under group gratuity scheme and the periodical payments towards the premium on the policy is charged to the profit and loss statement. The additional liability, if any, in respect of the above arising on retirement and not covered/not funded are paid / provided and accordingly, charged to the profit and loss statement in the year of retirement/payment or otherwise.
- (iii) Liability for Leave Encashment is determined based on the number of days of encashable leave to the credit of each employees as on the balance sheet date and provided in accounts on accrual basis.

**1.10 FOREIGN CURRENCY TRANSACTIONS :**

- (i) A transaction in foreign currency is recorded at the exchange rate prevailing on the date of the transaction
- (ii) Gains or losses upon settlement of the transactions during the year are recognised in the Profit & Loss statement
- (iii) Foreign Currency transactions remaining unsettled at the end of the year are revalued at the exchange rate prevailing at the end of the year except disputed liabilities & doubtful debts.
- (iv) Gains or Losses arising as a result of the above are adjusted in the Profit & Loss statement
- (v) Non monetary foreign currency items are carried at cost.

**1.11 BORROWING COSTS :**

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of the assets, up to the date, the asset is put to use. Other borrowing costs are charged to the Profit & Loss statement in the year in which they are incurred.

**1.12 LEASES :**

- a) Operating Lease :  
Lease of assets under which all the risk and rewards of ownership are effectively retained by the Lessor is classified as operating leases. Lease payments under operating leases are recognized as an expenses on accrual basis in accordance with respective lease agreements.
- b) Finance Lease :  
Assets acquired under leases where Company has substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired under finance lease are capitalized and corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs incurred in connection with the specific leasing activities directly attributable to activities performed by the Company are included as part of the amount recognized as an asset under the lease.

**1.13 IMPAIRMENT OF ASSETS :**

Where there is an indication that if any Asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognised as an expense in the profit and loss statement to the extent carrying amount exceeds recoverable amount. Impairment loss recognized in earlier accounting period is reversed if there is any improvement in recoverable amount.

**1.14 ACCOUNTING FOR TAXES ON INCOME :**

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## 1.15 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

- (i) A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date & adjusted to reflect the best current estimate.
- (ii) Disclosure of contingent liabilities are made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources.
- (iii) Contingent asset is neither recognized nor disclosed in the financial statements.

## 26 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

	31.03.2014 (Amount in `)	31.03.2013 (Amount in `)
a) Guarantee / Letter of credit given by Company's Bankers	Refer note below	Refer note below
b) Foreign Bills Discounted with Banks	Refer note below	Refer note below
c) Show cause / Demand raised / Appeal filed to the Various Authorities & disputed by the Company	15,883,989	15,912,551
d) Penalty Imposed by FERA & disputed by the Company	10,000,000	10,000,000
e) Custom duty payable on Import of duty free capital goods, amounts unascertainable.		
f) Penalties, if any, in respect of custom duty liabilities for import of raw materials under advance licence scheme and of capital goods under EPCG Scheme amount unascertainable.		
g) Suits filed against the Company for recovery of dues, amount unascertainable.		

Note : Not ascertained by the Company as the relevant details are not received from the Banks.

27 The Company has made an investment of ` 25,931,404 ( £ 450.200) in Euroroyal Floors Ltd. ("ERF") wholly owned subsidiary in U.K. The subsidiary also owes ` 233,375,543 ( Net of commission payable ` 10,619,234 ) towards supply of goods made to it. The principal customers of ERF in Russia did not honour the debts. Due to this ERF in turn, could not pay its creditors. The Company has been informed by the ex-local Directors of ERF that one of the creditors had filed a suit for winding-up of ERF pursuant to which the High Court of Justice of U. K. made a winding-up order dated 11th June,2001 against ERF and the official receiver has been appointed to liquidate the assets of ERF.

Thereafter order dated 12/03/2002 was passed and ERF is dissolved under the circumstances, the Management had provided for diminution in value of investment made in ERF in the year 2000-01. As also, provision against the debt of ` 233,375,543 due from ERF had been made during the earlier year.

28 The Company is a partner in M/s.Creative Investment, the details of the partners, their share in profit / loss and total capital of the partners of the firm as on 31.03.2014 are as under.

Sr. No.	Name of Partners	Share(%)
i	Shri P. C.Raval	0.50
ii	Shri S. P. Jariwala	0.50
iii	M/s. Royal Cushion Vinyl Products Ltd.	99.00
		<u>100.00</u>

b) The total Capital of the Partners is ` 16,66,376 (net)

c) The above details about investment and names of partners are based on the information, certified by a partner

- 29 Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2<sup>nd</sup> October 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any payable, would be disclosed in the year of payment of interest.
- 30 Under the Duty Exemption Scheme of Advance Licence ( as well as similar other licence scheme) pursuant to Import & Export Policy of Government of India, duty free imports of raw materials are permitted and they are required to be used in manufacturing of goods for export, as well as, export of goods has to be effected within the time allowed, in terms of the scheme. The Company has availed of such licences from time to time. In the past, it had fulfilled its export obligations. However, although the Company had imported duty free raw material under certain licences, hence it could not effect export within the time allowed due to circumstances beyond the control of the Company. The Company has evaluated its obligations under the scheme and it has been advised that in view of non fulfilment of export obligations, the authorities are bound to recover the import duty and mandatory interest thereon. The liability for such duty & interest as on 31.03.2014 is estimated at ` 769,234,686 (PY. ` 731,409,612) In terms of accounting policy followed by the Company, the sum of ` 731,409,612 had been provided in earlier years & the balance sum of ` 37,825,074 being interest on custom duty has been provided in the current year. The Company have received various demand notes amounting to ` 358,080,677 from DGFT towards pending export obligation. These order are challenged by the Company with the concerned authorities and matter for recovery of dues is pending due to BIFR status of the Company.
- 31 The Company has suffered substantial losses and due to this, the entire net worth has been eroded. However, since operations are Continued, the accounts of the Company have been prepared on the basis that the Company is a going concern.
- 32 Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.
- 33 (a) As in the past, in current year also, due to non - receipt of the Bank statements / Bank advices / Balance certificates from the financial institutions/banks, book entries pertaining to banks and financial institutions, transactions could not be reconciled. Further, in absence of such details and information, the amount payable also could not be estimated or ascertained. Thus, bank balances and balances of such financial Institutions as on 31.03.2014 are subject to adjustments if any, to be carried out on receipt of the relevant statements / Bank Advices / Certificates from banks/ financial institutions.
- (b) Many Banks / financial Institutions have not charged interest for the year. However, the Company has provided interest at the normal rate applicable on the closing balance of loan amount appearing in the books of accounts (except on outstanding Loan balance of IDBI, Oriental Bank of Commerce (OBC) Exim Bank and Bank of India (Refer Note No.37 (a)) and shown as interest payable under the head other current liabilities.
- (c) Pursuant to the arrangement/understanding between Natroyal Industries Private Limited (erstwhile Vijayjyot Seats Pvt. Ltd.) and the company, NIPL has arranged / obtained a Term Loan of Rs.900 Lakhs from ICICI Bank for the Company. Subsequently, the said Loan amount was transferred by NIPL to the company and the company has treated the same as Loan from NIPL. The instalments including interest is paid on the said Loan by the company to ICICI directly accordingly the Principal amount is debited to NIPL Loan Account and interest thereon is debited to interest account in the company's Books of Accounts.
- 34 Segment Reporting :  
The Company has one segment of activity namely PVC products (PVC Laminated Sheet/Tiles, PVC Leather Cloth).

## 35 Accounting for Taxes on Income :

In view of Loss in current year as well as having substantial brought forward losses and the fact that there would not be taxable income in the near future, the deferred tax assets is not recognized. Deferred tax liability, if any would arise in the year in which the claim giving rise to timing difference is made. Accordingly, deferred tax asset/liability is not recognized.

## 36 Accounting for Lease :

The Company has entered Into agreements/arrangements for taking certain assets on leave and licence basis. The special disclosure in respect of these arrangements is given below.

Particulars	Amount in `	
	2013-14	2012-13
1) Lease payment recognised in Profit and Loss statement for the year.	25,96,949	22,84,256
2) Future MLP under the Leases in the aggregate and for each of the following periods		
i) Not later than one year	1,86,000	1,80,737
ii) Later than one year & not later than Five Years.	—	—
iii) Due after five years	—	—

## 37 BIFR Status and Merger

## (a) BIFR STATUS

The Company has been registered with The Board For Industrial and Financial Reconstruction (BIFR) since Sept. 2002. The Company's Scheme for Reconstruction and other related matters are pending before BIFR. The Company Obtained various loans secured or otherwise, from banks and financial institutions in the course of its business including loans from IDBI, BOI, Exim Bank and OBC (IDBI, BOI, Exim Bank and OBC are hereinafter collectively referred as : "the said lenders" and loans from the said lenders are referred as the said loans") In past Assets Reconstruction Company (I) Ltd.(ARCIL) acquired said loan from the said lenders then outstanding at about ` 58,00,00,000 excluding Interest. ARCIL had suggested certain restructuring, Mean while during the year 2011-12 SICOM Ltd acquired, the said loans from ARCIL for an aggregate consideration of ` 14,00,00,000. The Company has paid Rs. 9,32,00,000 to SICOM Limited on this account, which is debited to its account in books of the Company.

The Company has continued to show the said loans along with interest in the name of the said lenders at the same values as reported in the earlier financial years, pending any understanding/approval of BIFR about the obligation in relation thereto. The consideration paid by SICOM Ltd. forms part of and is to be treated as term loan sanctioned by SICOM Ltd to the Company, It is included in the said loans, as it is consideration of the said loans.

The Company has provided/paid interest on the said amount of ` 14,00,00,000 paid by SICOM to Arcil (after considering said payment of Rs. 9,32,00,000) treated as loan to the Company and forming part of the said loans, As stated in Note No.33 (b) on the balance amount of the said loans interest is not paid/provided.

## (b) MERGER

"The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposal for revival of the Company with the Hon'ble Board of Industrial and Financial Reconstruction ("BIFR") whereby it is proposed to demerge two of its undertaking viz. Units I & II of the Company and merging them with Natroyal Industries Pvt Ltd.(Erstwhile Vijayjyot Seats Private Limited) (one of the Promoter Group Company) with effect from the Appointed Date being January 1, 2013 subject to approval from Hon'ble BIFR and other concerned Parties. The said proposed demerger will be effective after the receipt of the required approvals. Accordingly the given financial results are without giving the effect of said demerger."

## 38 The Directors / employees of the Company have acquired motor cars in their names from and out of the loans obtained by them from the banks, pursuant to an arrangement between the Directors / employees for use of the Company. Accordingly, the Company has accounted the said cars &amp; the said loans in the name of the Directors /

employees, as the assets & the liabilities of the Company, including the transactions in respect of repayment and payment of interest etc.

- 39 In respect of the staff gratuity, under the group gratuity scheme with Life Insurance Corporation of India (LIC) for the payment of Gratuity in respect of its several employees, the Company has discontinued effecting the payment in respect of periodical premium contribution towards the said scheme from accounting year 2005-06 onwards. The present liability for future payment of gratuity as on 31<sup>st</sup> March, 2014 is not actuarially determined and has not been provided in the accounts. The liability in respect of uncovered employees / unfunded or short fall amount would be accounted in the year of payment.
- 40 The operations of Unit III of the Company for manufacturing of 4 mtr floor covering have been discontinued from 2001-2002 due to excess rejections. The Company has used the services of a marketing firm 'Drashti Strategic Research Services Pvt. Ltd' and obtained market survey report in May 2008 with an objective to explore the market in India. The last production trial was taken in April'08 to explore commercial possibilities. There has been no commercial production since 2001-2002, the Company has not carried out assessment of assets particularly plant & machinery having book value of ` 11,28,66,168 as on 31<sup>st</sup> March'14 and ascertained recoverable amount of assets of the above Unit III and accordingly has not ascertained impairment loss. The same would be carried out in the ensuing financial years & impairment loss, if any will be accounted in that year.
- 41 The amount of Excise Duty disclosed as deduction from turnover is the Excise duty for the year, except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed in the (Increase) / decrease in stock and the other expenses respectively. (Increase)/decrease in stock includes excise duty on finished goods (net) ` 79,22,277 (Previous year ` 42,35,998)

42 (1) NAME OF RELATED PARTIES AND RELATIONS

(A) SUBSIDIARY COMPANY	(B) ASSOCIATES CONCERN / TRUST	(C) KEY MANAGEMENT
a) Euro royal Floors Ltd.	a) Natroyal Industries Pvt.Limited b) Royal Spinwell Pvt Limited c) Samsons Leather cloth Manufacturing Co. Pvt. Ltd. d) Royal Jerfeb Pvt Limited e) Nityanand Overseas Trading f) Shreedaha Trading & Consultancy Services Pvt Limited g) Shreeshaha Trading & Consultancy Services Pvt Limited h) Bhaktavatsala Trading & Consultancy Services Pvt Limited i) Trilokesh Trading & Consultancy Services Pvt Limited j) Vishwamurthy Trading Consultancy Services Pvt Limited k) Sumukh Trading & Cosultancy Services Pvt Limited l) Lokwami Trading & Cosultancy Services Pvt Limited m) Sahishnu Trading & Cosultancy Services Pvt Limited n) Sughosh Trading & Cosultancy Services Pvt Limited o) Trilokatma Trading & Cosultancy Services Pvt Limited p) M. V. Trust Properties	a) Mahesh Kantilal Shah b) Vinod Kantilal Shah

42 (2) RELATED PARTY TRANSACTIONS

(Amount in ` )

Sr.	Nature of transaction	2013-14			2012-13		
		Subsidiary	Associates	Key Management Personnel	Subsidiary	Associates	Key Management Personnel
1	Sales of Finished Goods	—	16,59,46,832	—	—	11,35,91,249	—
2	Purchase of Raw materials	—	47,16,17,700	—	—	7,15,74,707	—
3	Remuneration	—	—	12,41,541	—	—	11,86,811
4	Advance for purchase of Assets	—	30,80,938	—	—	21,77,812	—
5	Deposit given against Rented Property	—	60,00,000	—	—	60,00,000	—
6	Loan Received	—	—	—	—	49,18,89,270	—
7	Repayment of Loan	—	1,98,28,000	—	—	3,37,45,744	—
8	Loan Payable	—	67,54,78,419	—	—	60,88,14,253	—
9	Trade Payable	—	35,94,87,056	—	—	30,25,16,577	—
10	Trade Receivable	23,33,75,543	—	—	23,33,75,543	4,31,414	—

## Note:

Disclosure in respect of material related parties transactions during the year

\* In respect of above parties, there is no provision for doubtful debts as on 31st March' 2014 except ₹ 233,375,543 provided in respect of due by the Subsidiary Company in earlier year.

# Material/Goods sold to Natroyal Industries Pvt. Ltd. ₹ 159,798,692 (P.Y. ₹ 113,561,549)

# Material Purchase from Natroyal Industries Pvt. Ltd. ₹ 471,617,700 (P.Y. ₹ 71,574,707)

43 Special land acquisition officer of Govt. of Gujarat, by common award acquired the part of the factory land belonging to the Company for the purpose of Vadodara Halol khandiwada 4 track road and fixed the amount of compensation payable to the Company. However the Company has not accepted the price fixed for the acquisition of land and the matter is in dispute. Accordingly the entry for said acquisition shall be passed on the actual receipt of payment of compensation finally decided.

44 EARNING PER SHARE	2013-14 Amount in ₹	2012-13 Amount in ₹
(a) Loss after tax available for equity shareholders	(32,14,76,290)	(32,95,70,794)
(b) Average number of Equity shares of ₹ .10/- each outstanding during the year	12067212	12067212
c) Basic / Diluted Earnings per Share (₹) (a/b)	<u>(26.64)</u>	<u>(27.31)</u>
45 CIF VALUE OF IMPORTS:		
Raw Materials	9,59,15,717	9,10,57,500
Stores & Spares	19,22,683	45,08,984
	<u>9,78,38,400</u>	<u>9,55,66,484</u>
46 EXPENDITURE IN FOREIGN CURRENCY: (on accrual basis)		
Stores & Spares	16,65,826	39,74,247
Foreign Travel	1,45,656	87,775

47 The figures of previous year have been regrouped / reclassified / recast wherever necessary to compare with the current year's figures.

Signature to Notes  
For CHANDRAKANT & SEVANTILAL & J. K. SHAH & CO.  
Chartered Accountants  
Firm Reg. No. 101676W

H. B. Shah  
(Partner)  
Membership No. 16642

Place : VADODARA  
Date : 10<sup>th</sup> June, 2014

MUMBAI  
Date : 10<sup>th</sup> June, 2014

for ROYAL CUSHION VINYL PRODUCTS LTD.

M. K. SHAH                      J. A. MOTASHA  
(Chairman & Managing Director)                      (Director)

H.K.BIJLANI  
(Company Secretary)



## BALANCE SHEET ABSTRACT &amp; COMPANY'S GENERAL BUSINESS PROFILE

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

1	Registration Details	
	Registration Numbers	31395
	State Code	11
	Balance Sheet Date	31.03.2014
2	Capital Raised during the year	
	Public issue	NIL
	Right issue	NIL
	Bonus issue	NIL
	Private placement	NIL
3	Position of Mobilisation on Development of funds	( ` )
	Total Liabilities	78,48,94,297
	Total Assets	78,48,94,297
	SOURCES OF FUNDS	
	Paid - up Capital	12,06,72,120
	Reserve & Surplus	(4,62,55,55,212)
	Share Application Money	7,39,15,000
	Secured Loans	1,80,41,98,343
	Unsecured Loans	1,15,18,58,188
	APPLICATION OF FUNDS	
	Net Fixed Assets	37,29,91,001
	Investments	25,04,353
	Net Current Assets	(1,18,53,59,556)
	Misc. Expenditure	-
	Accumulated Losses	(5,35,39,63,523)
4	Performance of Company	
	Turnover ( Income - after changes in stock )	66,42,95,782
	Total Expenditure	98,54,91,433
	Profit / (Loss) Before Tax	(32,11,95,651)
	Profit / ( Loss) After Tax	(32,14,76,290)
	Earning per share ( ` )	(26.64)
	Dividend Rate @ %	NIL
5	Generic Names of two Principal Products / Services of company (As per Monetary Terms )	
	Item Code No. ( ITC code )	39209929
	Product Description	PVC Laminated Sheet
	Item Code No. ( ITC code )	39181000
	Product Description	Cushion Vinyl Flooring

for ROYAL CUSHION VINYL PRODUCTS LTD.

M. K. SHAH J. A. MOTASHA  
(Chairman & Managing Director) (Director)

Place : MUMBAI  
Date : 10<sup>th</sup> June, 2014

H.K.BIJLANI  
(Company Secretary)

Dear Shareholders,

Date: 30<sup>th</sup> July, 2014

Sub: Green Initiative in Corporate Governance - Electronic Mode of Services of documents

Further to our circular dated 30 August, 2011 addressed to all the members regarding Green Initiative in Corporate Governance - Electronic Mode of Services of documents, we once again inform you that, the Ministry of Corporate Affairs, Government of India, has by Circular Nos. 17/2011 dated 21 April, 2011 and 18/2011 dated 29 April, 2011 respectively, clarified that a Company will have complied with the provisions of the Companies Act, 1956, if service of notice(s) / document(s) on its shareholders has been made through electronic mode. This initiative by the government is indeed commendable and your Company supports the same. We are sure, that as a responsible shareholder, you too will support this initiative.

In this regards we proposed to sent the shareholders henceforth documents like Notices of Meetings, Annual Reports, Directors' Report, Auditors' Report and other shareholder communication will be sent electronically to the email address provided by you to the Depository Participant and made available to the Company by the Depositories viz. NSDL / CDSL. As and when there are changes in your email address, you are requested to keep your Depository Participant (DP) informed of the same.

However if communications require, in physical form, you can register by accessing email id [deepti.sheth@natroyalgroup.com](mailto:deepti.sheth@natroyalgroup.com) or return this reply to the Company at our registered office i.e. 60 CD, Shlok, Government Industrial Estate, Charkop, Kandivali (West), Mumbai - 400 067 or at Investor Service Department Address i.e. M/s Universal Capital Securities Private Limited, Unit: Royal Cushion Vinyl Products Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

Tel: 28366620/ 28257641/62920 Fax: 022 28211996.

But if you do not opt to receive the aforesaid documents in physical form or you do not respond to this on or before 15<sup>th</sup> October, 2014 you will be deemed to have opted for receiving documents from the Company in electronic form by email and accordingly, all the Communication would be sent to you in electronic form by email to your email address available in records of the Company.

Kindly note that if you still wish to get the hard copy of the above documents, the Company will be send the same, free of cost, upon receipt of a request from you.

Thanking you,

Yours sincerely,

For Royal Cushion Vinyl Products Limited

Sd/-

H. K . Bijlani

General Manager Legal and Company Secretary

Folio No. / DP ID &amp; Client ID : \_\_\_\_\_

Name of 1<sup>st</sup> Registered Holder : \_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

Email Address (to be registered) : \_\_\_\_\_

Mobile no. : \_\_\_\_\_

Date: \_\_\_\_\_ Signature : \_\_\_\_\_



From :

-----  
 -----  
 -----

To,  
 Universal Capital Securities Pvt. Ltd.  
 21 Shakil Niwas, Mahakali Caves Road,  
 Opp Satya Saibaba Temple,  
 Andheri (East), Mumbai - 400 093

Dear Sir,

Sub :

Unit : Royal Cushion Vinyl Products Limited

Folio No. :

As per your request in AGM report I/we am/are holding \_\_\_\_\_ shares in physical form under folio number mentioned above and furnishing below information required by you.

Bank Account number	
Bank Name	
Branch Name	
MICR Code	
Email Id	
Telephone No. / Mobile no.	

I request you to

 Change my new address as mentioned above

 There is no change in my address

By giving the said information we hereby authorize Company to send dividend, if any, in electronic mode, directly to our above mentioned Bank Account.

Signature of 1 <sup>st</sup> holder	Signature of 2 <sup>nd</sup> holder	Signature of 3 <sup>rd</sup> holder



## ROYAL CUSHION VINYL PRODUCTS LTD

Registered Office: 60 CD "SHLOK" Govt Ind. Estate, Charkop, Kandivali (West), Mumbai 400 067

CIN No. : L24110MH1983PLC031395 • Web : www.natroyalgroup.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Email-Id	
Folio No./Client ID	

I/We, being a Member of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name \_\_\_\_\_ Address \_\_\_\_\_  
 \_\_\_\_\_ E-mail : \_\_\_\_\_  
 Signature \_\_\_\_\_ of failing him / her.
2. Name \_\_\_\_\_ Address \_\_\_\_\_  
 \_\_\_\_\_ E-mail : \_\_\_\_\_  
 Signature \_\_\_\_\_ of failing him / her.
3. Name \_\_\_\_\_ Address \_\_\_\_\_  
 \_\_\_\_\_ E-mail : \_\_\_\_\_  
 Signature \_\_\_\_\_ of failing him / her.

as my/our proxy to vote for me/us on my/our behalf at the 30<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 30<sup>th</sup> September, 2014 at 3.00 p.m. at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai 400067 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014.
2	Reappointment of Mr. Deepak Motasha, who retires by rotation.
3	Reappointment of Mr. Jayesh Motasha, who retires by rotation.
4	Re-appointment of Auditors and fixing their remuneration.
5	Re-appointment of Mr. Mahesh Shah as Managing Director .
6	Re-appointment of Mr. Vinod Shah as Whole Time Director .
7	Approval of borrowing money upto Rs. 150 crores.
8	Approval of creation of charge/security over the assets of the Company in respect of borrowings.
9	Approval to enter into a contract with related party.
10	Approval to invest/acquire the securities upto Rs. 5 crores.

Signed \_\_\_\_\_ day of \_\_\_\_\_ September, 2014

\_\_\_\_\_  
(Signature of Proxy Holder)\_\_\_\_\_  
(Signature of Member)Re. 1/-  
Revenue  
Stamp

## Notes:

- (a) The form of proxy in order to be effective should be duly completed and deposited at the Registered Office not less than 48 Hours before the time for holding the meeting.
- (b) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and a proxy need not be a member of the Company.
- (c) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.
- (d) Please complete all details including details of member(s) before submission.



**ROYAL CUSHION VINYL PRODUCTS LTD**

Registered Office: 60 CD "SHLOK" Govt Ind. Estate, Charkop, Kandivali (West), Mumbai 400 067  
 CIN No. : L24110MH1983PLC031395 • Web : www.natroyalgroup.com

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall.

	Name of the attending Member/Proxy (in Block Letters)
	Membership Folio No
	DPID No
	Client ID No
	Number of Share held

I hereby record my presence at the 30th Annual General Meeting of the Company being held on Tuesday, the 30th September, 2014 at 3.00 p.m. at 60 CD, Shlok, Government Ind. Estate, Charkop, Kandivali (W), Mumbai - 400 067.

Members/Proxy's Signature  
 (TO BE SIGNED AT THE TIME OF HANDLING OVER THE SLIP)

Postage will be paid by addressee

### Business Reply Inland Letter Card

To,  
 ROYAL CUSHION VINYL PRODUCTS LIMITED  
 60 CD, Shlok, Government Industrial Estate,  
 Charkop, Kandivali (West), Mumbai - 400 067.  
 Tel: 022 32655828, 022 28603514 / 16

No postage stamp necessary if posted in India

*Second fold*

SENDER'S NAME AND ADDRESS

\_\_\_\_\_

\_\_\_\_\_

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