

**ROYAL CUSHION VINYL PRODUCTS LIMITED**

**36<sup>th</sup>  
ANNUAL REPORT  
2019-20**



**ROYAL CUSHION VINYL PRODUCTS LIMITED**

(CIN No. - L24110MH1983PLC031395)

[www.rcvp.in](http://www.rcvp.in)

**BOARD OF DIRECTORS**

Mr. Mahesh. K. Shah  
Mr. Jayesh A Motasha  
Mrs. Harsha Shah  
Mrs. Avani Pandit

Chairman & Managing Director  
Director  
Director  
Director

**AUDITORS**

**M/s. Bipin & Co.**

Chartered Accountants  
30,4, Sumangal Chamber, Jamboo Bet  
Dandia Bazaar, Vadodara – 390 001.

**REGISTERED OFFICE**

60 CD, Shlok Govt. Indus. Estate  
Charkop, Kandivali (West),  
Mumbai – 400 067  
Tel: 022 28063514/16

**FINANCIAL INSTITUTION / BANK**

Axis Bank Ltd

**REGISTRAR & TRANSFER AGENTS**

**M/s Universal Capital Securities Private Limited**

Unit: Royal Cushion Vinyl Products Limited  
101, 247 Park,  
LBS Road, Vikhroli West,  
Tel: 49186178/79  
Fax : 28211996

**WORKSC**

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

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### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **36<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on Wednesday, 30<sup>th</sup> September, 2020 at 12.30 pm IST through Video Conferencing (VC) or other audio visual means (OAVM) to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31<sup>st</sup>, 2020 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jayesh Motasha (DIN 00054236) who retires by rotation and being eligible, offers himself for re- appointment.

**BY ORDER OF THE BOARD**  
**For Royal Cushion Vinyl Products Limited**

**Nivedita Juvatkar**  
**Company Secretary**  
**ACS48850**

Place:-Mumbai  
Date: September 03<sup>rd</sup>, 2020

### **Registered Office:**

Royal Cushion Vinyl Products Limited  
SHLOK, 60 CD, Govt. Industrial Estate,  
Charkop, Kandivali (West), Mumbai - 400 067  
CIN No. - L24110MH1983PLC031395  
Website: www.rcvp.in

### **IMPORTANT NOTES:**

1. General instructions for accessing and participating in the 36th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:
  - a. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/ CMD1/CIR /P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 36th (Thirty Sixth) AGM of the Company is being conducted through Video Conference (VC) / Other Audio Visual Means (OAVM), which does not require physical presence of Members at a common venue. In terms with the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the venue of the 36th (Thirty Sixth) AGM shall be deemed to be the Registered Office of the Company situated at "SHLOK, 60 CD, Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai - 400 067.
  - b. In terms of the circulars issued by MCA since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 36th AGM. However, in pursuance of

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Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting and for participation in the 36<sup>th</sup> AGM through VC/OAVM Facility and e-Voting.

- c. In line with the circulars issued by MCA and SEBI, the Notice of the 36<sup>th</sup> AGM will be available on the website of the Company at [www.rcvp.in](http://www.rcvp.in) and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- d. Since the AGM will be held through VC/OAVM Facility, the Route Map of the AGM venue, proxy form and attendance slip are not annexed in this Notice.
- e. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting and for participation in the 36<sup>th</sup> AGM through VC/OAVM.
- f. Members may join the 36<sup>th</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 12.00 noon. i.e. 30 minutes before the time scheduled to start the 36<sup>th</sup> AGM and shall be kept open during the proceedings of the AGM.
- g. Attendance of the Members participating in the 36<sup>th</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- h. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [legalho83@gmail.com](mailto:legalho83@gmail.com).
- i. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company's email id [legalho83@gmail.com](mailto:legalho83@gmail.com).
- j. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with circulars issued by MCA and SEBI in this regard, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 36<sup>th</sup> AGM and also for those Members participating in the 36<sup>th</sup> AGM to cast vote through e-Voting system during the 36<sup>th</sup> AGM.

### 2. Instructions for Members for Remote e-Voting are as under:-

- I. The remote e-voting period commences on Sunday, 27<sup>th</sup> September, 2020 (9:00 am) and ends on Tuesday, 29<sup>th</sup> September, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person who is not a Member as on the cut off date should treat this notice for information purpose only. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- II. The details of the process and manner for remote e-Voting are explained herein below:
  - Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>
  - Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> / either on a personal computer or on a mobile phone.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> / with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

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- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of the Company for which you wish to cast your vote.
  4. Now you are ready for e-voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
3. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:
    - a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 36<sup>th</sup> AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning name, folio number and complete address; and ii) self attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company [legalho83@gmail.com](mailto:legalho83@gmail.com).
    - b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self attested scanned copy of the PAN Card, to the email address of the Company [legalho83@gmail.com](mailto:legalho83@gmail.com).

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5. Instructions for Members for participating in the 36<sup>th</sup> AGM through VC/OAVM are as under:
- a. Members will be able to attend the 36<sup>th</sup> AGM through VC/OAVM Facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the Company's 36<sup>th</sup> AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice of the 36<sup>th</sup> AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.
  - b. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
  - c. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection.
  - d. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 36<sup>th</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address [legalho83@gmail.com](mailto:legalho83@gmail.com) atleast 48 hours in advance before the start of the meeting i.e. by 28<sup>th</sup> September, 2020 by 12.00 noon. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
  - e. Members, who would like to ask questions during the 36<sup>th</sup> AGM with regard to the financial statements or any other matter to be placed at the 36<sup>th</sup> AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address [legalho83@gmail.com](mailto:legalho83@gmail.com) atleast 48 hours in advance before the start of the 36<sup>th</sup> AGM i.e. by 28<sup>th</sup> September, 2020 by 12.00 Noon. Those Members who have registered themselves as a speaker shall be allowed to speak/ask questions during the 36<sup>th</sup> AGM, depending upon the availability of time.
  - f. Institutional Investors who are Members of the Company, are encouraged to attend the 36<sup>th</sup> AGM through VC/OAVM Facility.
6. Instructions for Members for e-Voting during the 36<sup>th</sup> AGM are as under:
- a. Members may follow the same procedure for e-Voting during the 36<sup>th</sup> AGM as mentioned above for remote e-Voting.
  - b. Only those Members, who will be present in the 36<sup>th</sup> AGM through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 36<sup>th</sup> AGM.
  - c. The Members who have cast their vote by remote e-Voting prior to the 36<sup>th</sup> AGM may also participate in the 36<sup>th</sup> AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.
  - d. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 36<sup>th</sup> AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:
    - i) Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone number :+91-22-2499 4360.
    - ii) Ms. Pallavi Dabke, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone number +91-22-2499 4545.
7. General Guidelines for Members
- a. It is strongly recommended not to share your password with any other person and take utmost care to keep
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your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

- b. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Senior Manager or Ms Pallavi Dabke, Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. : +91-22-2499 4360 or +91-22-2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address [legalho83@gmail.com](mailto:legalho83@gmail.com).
8. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date of 23<sup>rd</sup> September, 2020.
9. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 36<sup>th</sup> AGM by email and holds shares as on the cut-off date i.e. 23<sup>rd</sup> September, 2020, may obtain the User ID and password by sending a request to the Company's email address [legalho83@gmail.com](mailto:legalho83@gmail.com). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the AGM.
11. Mrs. Padma Loya (Membership No. 25349 COP 14972 ) of M/s. Loya & Associates, Practising Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-Voting process (including e-Voting at the meeting) in a fair and transparent manner.
12. During the 36<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 36<sup>th</sup> AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 36<sup>th</sup> AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 36<sup>th</sup> AGM.
13. The Scrutinizer shall after the conclusion of e-Voting at the 36<sup>th</sup> AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 36<sup>th</sup> AGM, who shall then countersign and declare the result of the voting forthwith.
14. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.rcvp.in](http://www.rcvp.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited (BSE).
15. Pursuant to the circulars issued by MCA and SEBI, in view of the prevailing pandemic situation and owing to the difficulties involved in dispatching of physical copies of the Notice of the 36<sup>th</sup> AGM and the Annual Report for the financial year 2019-20 including therein, inter-alia, the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020, the same are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s and who wish to



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receive the Notice of the 36<sup>th</sup> AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, name, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address [legalho83@gmail.com](mailto:legalho83@gmail.com).
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
16. The Notice of the 36<sup>th</sup> AGM and the Annual Report for the financial year 2019-20 including therein, interalia, the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020, will be available on the website of the Company at [www.rcvp.in](http://www.rcvp.in) and the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice of 36<sup>th</sup> AGM will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  17. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive) for the purpose of the Annual General Meeting.
  18. Members are requested to:
    - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
    - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
    - (c) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Universal Capital Securities Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime.
    - (f) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Pvt. Ltd.
  19. During Fiscal 2019, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after 1<sup>st</sup> April, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer.

### PROFILE OF DIRECTOR BEING APPOINTED/RE-APPOINTED

Pursuant to regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India, the particulars of Directors who are proposed to be appointed/ reappointed are given below.

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Particulars	Mr. Jayesh A. Motasha
DIN	00054236
Date of Birth	09/08/1957
Qualification & Experience	Bcom Graduate from Mumbai University
Expertise in specific functional area	He has a vast and varied experience in all functions of the Company including production, financial, commercial and allied areas.
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	----
Directorship held in other companies	He is a Director in Royal Spinwell Private Limited
Membership / Chairmanships of Committees of other India Companies	He is a Chairman in Stakeholder Relationship Committee and Member in Audit Committee and Nomination and Committee Remuneration.
No. of Shares held in the Company as in 31 <sup>st</sup> March, 2020	26800
Date of appointment on the Board	21/11/1983
Number of meetings of the Board attended during the financial year 2019-20	9

**BY ORDER OF THE BOARD**  
**For Royal Cushion Vinyl Products Limited**

**Nivedita Juvatkar**  
**Company Secretary**  
**ACS48850**

Place:-Mumbai  
Date: September 03, 2020

**Registered Office:**

Royal Cushion Vinyl Products Limited  
SHLOK, 60 CD, Govt. Industrial Estate,  
Charkop, Kandivali (West), Mumbai - 400 067  
CIN No. - L24110MH1983PLC031395  
Website: www.rcvp.in

## Annual Report 2019-2020

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### DIRECTORS' REPORT

To  
The Members of  
**Royal Cushion Vinyl Products Limited,**

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report together with Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

#### 1) Financial Results

(₹ In Lakhs)

Particulars	Current year ended 31.03.2020	Previous year Ended 31.03.2019
Revenue from operations (Net)	6248.66	7353.65
Other Income	1012.95	2221.03
<b>Net Income</b>	<b>7261.61</b>	<b>9574.68</b>
Total Expenditure	7372.95	8501.49
<b>Profit / (loss) before interest and depreciation</b>	<b>(111.34)</b>	<b>1073.19</b>
Finance Cost	384.66	496.75
Depreciation	192.16	136.34
<b>Profit/(Loss) before Exceptional item</b>	<b>(688.16)</b>	<b>440.10</b>
Exceptional item	26.84	7.93
<b>Profit/(Loss) for the year</b>	<b>(661.32)</b>	<b>448.03</b>

#### 2. PERFORMANCE OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The Company has achieved Net Income of ₹7261.61 Lakhs as against ₹ 7353.65 Lakhs in the previous year. Net Loss of Rs.661.32 Lakhs as compared to previous year's Net Profit of Rs.448.03 Lakhs. Other income includes ₹ 874.83 Lakhs received as grant for State Goods & Service Tax .

#### 3. FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### 4. COVID -19 PANDEMIC

In the last quarter of the financial year 2019-20, the coronavirus disease emerged as a global pandemic resulting in many governments declaring lockdowns forcing citizens to stay indoors and disruption of economic activities globally.

The Ministry of Home Affairs vide order dated 24<sup>th</sup> March, 2020 notified first ever nationwide lockdown to contain the outbreak of Covid-19, Covid -19 has made drastic impact throughout the world and has also affected the Company. Due to the Pandemic and the subsequent complete and partial lockdowns, the business of the Company has been affected. The Company has managed to cope with the situation despite the challenges, however the impact assessment of COVID- 19 is a continuous process given the uncertainties associated with its nature and duration

#### 5. DIVIDEND

The Board of Directors is unable to declare any dividend for the year 2019-2020.

#### 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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## Annual Report 2019-2020

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Management Discussion and Analysis Report as required under Listing Agreement and LODR Regulations is disclosed separately in the current Annual Report.

### 7. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of provisions of Chapter V - Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014, as amended from time to time.

### 8. CORPORATE SOCIAL RESPONSIBILITY

The Companies Act, 2013 mandates that every Company, who meet certain eligibility criteria needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility activities. In view of losses, no amount is required to be spent by the Company.

### 9. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Details on conservation of energy, technology absorption, foreign exchange earnings and outgo is given in the Annexure - "A" to this report.

### 10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 forms part of notes to financial statements provided in this Annual Report.

### 11. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business. The Board has approved a policy for related party transactions which has been uploaded on the website of the Company [www.rcvp.in](http://www.rcvp.in). All the related party transactions are placed before the Audit Committee as well as the Board for approval on a quarterly basis. Omnibus approval was also obtained from the Audit Committee and the Board on an annual basis for repetitive transactions. Resolution of the shareholders is also obtained, wherever necessary, in this regard. Related party transactions are disclosed in the notes to the financial statements. Prescribed Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished as Annexure - "B" to this report.

### 12. DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

The information required pursuant to section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is attached as Annexure "C". The Company had no employee drawing remuneration in excess of the amount as mentioned under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There were no employees who were in receipt of remuneration for which details need to be disclosed.

### 13. BOARD OF DIRECTORS

Mr. Jayesh Motasha retires as director by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Board of Directors comprises of one Executive Director and Three Non-Executive Directors. Mr. Mahesh. K. Shah, Chairman and Managing Director of the Company, Mr. Jayesh Motasha Non Executive Directors and Mrs.

## Annual Report 2019-2020

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Avani Jolly Pandit and Mrs. Harsha Mukesh Shah - Independent Directors.

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI (Listing obligations and Disclosures Requirements), Regulations 2015 and there has been no change in the circumstances which may affect their status as independent directors during the year.

None of the directors of the Company are debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

A brief note on Director retiring by rotation and eligible for re-appointment is furnished in the Notice of Annual General Meeting.

### 14. KEY MANAGERIAL PERSONNEL

The Company has Mr. Mahesh K. Shah, Chairman & Managing Director. The Company has Ms. Nivedita Juvatkar as a Company Secretary and Compliance Officer and the Company is in search for appointment of Chief Financial Officer (CFO) after resignation of Mr. Urvish Shah to comply with the provision of Section 203 of the Companies Act, 2013, however, the Company unable to get the right candidate for the post of CFO.

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, 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, 2020 the applicable accounting standards/practices had been followed along with proper explanation relating to material departures; if any
- 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 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) The annual financial statements have been prepared on a going concern basis.
- e) That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 16. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relate and the date of this report.

### 17. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations.

## Annual Report 2019-2020

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### 18. ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Company has complied with all the applicable Secretarial Standards.

### 19. DETAILS OF SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANY

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2019-20.

### 20. INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### 21. STATUTORY AUDITORS

M/s. Bipin & Co, Chartered Accountants, Vadodara (Firm Registration no. 101509W) were appointed as Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting (AGM) held on 26<sup>th</sup> September 2017 till the conclusion of 38<sup>th</sup> AGM.

#### Auditors Report:

The notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

### 22. PREVENTION OF INSIDER TRADING

The Board at its meeting held on 12<sup>th</sup> August, 2015 has adopted a revised Code of Prevention of Insider Trading based on the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company [www.rcvp.in](http://www.rcvp.in). All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

### 23. COST AUDITORS

In terms of the Companies (Cost Records and Audit) Rules, 2014 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company has maintained cost records for financial year 2019-20 in respect of its polymer's products. However, in terms of the said Rules, the requirement of cost audit is not applicable to the Company for the financial year 2019-20 as the turnover of the Company from these services is below the threshold limit prescribed in the said Rules for cost audit.

### 24. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board has appointed Mrs. Padma Loya, Practicing Company Secretaries of M/s. Loya and Associates (Membership no. 25349, Certificate of Practice No. 14972) to conduct Secretarial Audit of the Company for the financial year 2019-2020.

The Annual Secretarial Compliance Report for the period ended 31<sup>st</sup> March, 2020 under Regulation 24A issued by Mrs. Padma Loya, Practicing Company Secretaries of M/s. Loya and Associates and submitted to BSE Limited.

The Secretarial Audit Report for the financial year 2019-20 is annexed herewith as Annexure "D" which forms part of the Board's report.

## Annual Report 2019-2020

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### 25. LISTING WITH STOCK EXCHANGE

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to BSE Limited (BSE) where the Company's Shares are listed.

### 26. SHARE CAPITAL

During the financial year there was no change in the Share Capital of the Company.

### 27. EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in Form No. MGT - 9 is annexed herewith as **Annexure "E"**.

### 28. REMUNERATION POLICY

The Board of Directors has on recommendations of the Nomination & Remuneration Committee outlined policy for selection & appointment of Directors, Key Managerial Personnel & Senior Management and also to decide their remuneration along with the perks. The Nomination & Remuneration Committee revises the remuneration from time to time depending upon the performance of the Company and the Individual Director's / Key Managerial Personnel and other Senior Management Personnel. The detailed policy is available on the website of the Company [www.rcvp.in](http://www.rcvp.in).

### 29. POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- the candidate should possess the positive attributes such as leadership, entrepreneurship, industrialist, business advisor or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 in case of appointment as an independent director; and
- the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, medical, social service, professional teaching or such other areas or disciplines which are relevant for the Company's business.

### 30. BOARD OF DIRECTORS MEETING

During the financial year ended 31<sup>st</sup> March, 2020, the Company held nine (9) Board Meetings and the gap between the two meetings of the Board not more than 120 days as per Companies Act, 2013. The meetings were held on 18<sup>th</sup> April, 2019, 29<sup>th</sup> May, 2019, 02<sup>nd</sup> July, 2019, 14<sup>th</sup> August, 2019, 23<sup>rd</sup> August, 2019, 29<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019, 26<sup>th</sup> December, 2019 and 14<sup>th</sup> February, 2020. The details of the Board Meetings are provided in the Corporate Governance Report.

### 31. COMMITTEES OF THE BOARD

The Board has following Committees formed:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

The details of the composition of committees, its roles and responsibility along with number of meetings held are given in the Report of Corporate Governance.

### **32. AUDIT COMMITTEE**

The Audit Committee of the Board has been constituted as per the Listing Regulations and Section 177 of the Companies Act, 2013. Constitution, meetings, attendance and other details of the Audit Committee are given in corporate governance which forms a part of this Report.

### **33. VIGIL MECHANISM**

The Company has established a vigil mechanism for its Directors and Employees to report genuine concerns relating any violations legal or regulatory requirements or misconduct in the Company through its Whistle Blower Policy. And, to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct and ethics policy, incorrect or misrepresentation of any financial statements and reports thereon.

The protected disclosures will be dealt by the Chairperson of the Audit Committee and the Chairperson should address the same carry out the investigation and take needful action.

The policy on Whistle Blower as approved by the Board of Directors is uploaded on company's website i.e. [www.rcvp.in](http://www.rcvp.in).

### **34. RISK MANAGEMENT POLICY**

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures and the same is reviewed by the Board periodically.

### **35. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has adopted Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace, to provide protection to employees at the workplace. The Company has not received any complaints of sexual harassment during the year.

### **36. CORPORATE GOVERNANCE**

As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with the requirements of Corporate Governance in all material aspects. A report on Corporate Governance together with a certificate of its compliance from the Auditors of the Company, forms part of this report.

### **37. CODE OF CONDUCT**

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The code also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website [www.rcvp.in](http://www.rcvp.in). The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Managing Director is given in this Report.

### **38. PERFORMANCE EVALUATION OF BOARD AND INDEPENDENT DIRECTORS**

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board. The criteria for performance evaluation is based on the various parameters like attendance and participation at meetings of the Board and Committees thereof, contribution to strategic decision making, review of risk assessment and risk mitigation, review of financial statements, business performance and contribution to the enhancement of brand image of the Company.



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The Board has carried out evaluation of its own performance as well as that of the Committees of the Board and all the Directors.

### **39. SAFETY, ENVIRONMENT AND HEALTH**

The Company considers safety, environment and health as the management responsibility. Regular employee training programs are carried out in the manufacturing facility on safety and environment.

### **40. PROFICIENCY OF DIRECTORS**

All the Independent Directors of the Company have registered their names in the database maintained by Indian Institute of Corporate Affairs. Those of the Independent Directors who are not otherwise exempted shall appear for the common proficiency test conducted by the said institute within the prescribed time.

### **41. FAMILIARISATION PROGRAMME FOR DIRECTORS**

A well informed familiarized Board member can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors are updated on a continuing basis on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations and economic environment, to enable them to take well informed and timely decisions.

### **42. SECRETARIAL STANDARDS**

The Company has complied with all the applicable Secretarial Standards.

### **43. ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation, for the co-operation and support received from Financial Institutions, Banks, Customers and other Government agencies. Your Directors also 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: 03<sup>rd</sup> September, 2020

**Mahesh Shah**  
Managing Director  
(DIN 00054351)

### ANNEXURE: "A"

#### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

##### 1) CONSERVATION OF ENERGY

- i) Ongoing work from previous year of Converting Various motors of Plant from DC motors to AC motors Completed. This conversion helped to reduce electricity consumption.
- ii) During the year Meetings/Training programs were organized in observance with promotion of energy conservation.
- iii) The Conventional lights are being replaced with contemporary energy saving LED Lights.

##### 2) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT: -

R & D was specially carried out in designing & developed in various products.

- i) New Product: -  
R & D was specially carried out in designing & developed in various products.

##### ii) Efforts made in technology absorption:

Productivity and quality improvement, coupled with cost benefits, achieved in film ranges through better technology/ Technology improvements.

##### iii) Future Plans

To develop various new designs vinyl flooring for export market as well as Indian market.

##### 3) FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ In Lakhs)

Sr. No.	Particulars	Current year ended on 31.03.2020	Current year ended on 31.03.2019
1	Fob Value of Export	Nil	Nil
2	Foreign exchange outgo:		
	Import of Raw material	14.32	23.19
	Stores & Spares	0.00	48.74
	Foreign Travels	0.39	8.31

**ANNEXURE: "B"**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts / arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable.
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) Date(s) of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

<b>A) SUBSIDIARY COMPANY</b>	<b>(B) ASSOCIATES CONCERN</b>
a) *Euro royal Floors Ltd.	a) #Natroyal Industries Private Limited
	b) **Sughosh Trading & Consultancy Services LLP
	c) ** Trilokatma Trading & Consultancy Services LLP
	d) ** Shreedaha Trading & Consultancy Services LLP
	e) **Shreeshaha Trading & Consultancy Services LLP
	f) **Bhaktavatsala Trading & Consultancy Services LLP
	g) **Trilokesh Trading & Consultancy Services LLP
	h) **Lokwami Trading & Consultancy Services LLP
	i) **Sahishnu Trading & Consultancy Services LLP
# Material/Goods sold to, Material Purchase from, loan received, lease rent received - Natroyal Industries Private Limited. ** Loan repayable to associate company.	
*The High Court of Justice of U.K. made a winding -up order dated 11 <sup>th</sup> June, 2001 against Euroroyal Floors Ltd and the official receiver was appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and Euroroyal Floors Ltd is dissolved.	

## Annual Report 2019-2020

### ANNEXURE: "C"

#### Details of Ratio of Remuneration of Director

[Section 197(12) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

#### Disclosure under Rule 5(1) of the Companies (Appointment and Remuneration), Rules, 2014

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company and percentage increase in remuneration of Director, CFO and CS for the financial year;

Sr. No	Name	Designation	Remuneration paid for FY 2019-20	Remuneration paid for FY 2018-19	% increase in remuneration in the FY 2019-20	Ratio/ Times per median of employee remuneration
1.	Maresh Shah	Chairman & Managing Director	9,28,800	9,28,800	Nil	4.43
2.	Nivedita Juvatkar*	Company Secretary	5,22,496	0	NA	2.58
4.	Urvish Shah**	CFO	3,78,152	56,126	11 %	-

\* Nivedita Juvatkar, Company Secretary of the Company has appointed on 18<sup>th</sup> April, 2019.

\*\* Mr. Urvish Shah is appointed as Chief Financial Officer of the Company on 14<sup>th</sup> March, 2019 and has resigned from the post of Chief Financial Officer w.e.f 2<sup>nd</sup> July, 2019.

- i) Percentage increase in median remuneration

Median remuneration of employees in FY 2019-20 in Rs.	Median remuneration of employees in F-Y 2018-19 in Rs.	Percentage increase/(decrease)
2,09,352	1,94,988	7.37 %

- iii) No. of permanent employees as on 31.03.2020: 171

- iv) Comparison between average percentile increase in salaries of employees (excluding managerial personnel) and percentile increase in managerial remuneration.

Average percentile increase in salaries of employees other than managerial personnel in FY 2019-20	Percentile increase in managerial personnel remuneration in FY 2019-20	Justification
11.60%	11.00 %	.

- v) This is to affirm that the above remuneration is paid as per the Remuneration Policy of the Company: - YES

There were no employees who were in receipt of remuneration for which details need to be disclosed under Rule 5(2) and 5(3) of the section 197 of the Companies Act, 2013.

**SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020**

To  
The Members of  
**M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**CIN NO: L24110MH1983PLC031395**  
60 CD "Shlok" Government Ind. Estate,  
Charkop, Kandivli (West),  
Mumbai-400067

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2019 and ended 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED** ("The Company") for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment, and External Commercial Borrowings and the provisions thereto have been duly complied with;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations;
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

## Annual Report 2019-2020

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vi. I further report that, having regard to the Compliance System prevailing in the Company and on examination of the relevant documents and records in pursuance thereof of the Company has complied with the provisions of all the Acts, Rules, Regulations, Guidelines, Standards, etc. in relation to the industry specific Acts, labor and other applicable laws as provided by the management of the company:

- (a) Payment of Gratuity Act, 1972
- (b) Employees Provident Fund and Miscellaneous provisions Act, 1952
- (c) Employees State Insurance Act 1948
- (d) Maternity Benefit Act, 1961
- (e) Minimum Wages Act, 1948
- (f) Payment of Bonus Act, 1965
- (g) Payment of Wages Act 1936
- (h) Environment (Protection) Act, 1986
- (i) Income-Tax Act 1961
- (j) Information Technology Act, 2000
- (k) Equal Remuneration Act, 1976
- (l) Workmen's Compensation Act, 1923
- (m) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (n) Factories Act, 1948
- (o) Industrial Disputes Act, 1947

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable under the provisions of Companies Act, 2013 and
- ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

**\*\*During the year Company's CFO has resigned w.e.f 02/07/2019. Hence, the Company is due to appoint CFO.**

**I further report that:**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors appointed on Board. There is no changes in the composition of the Board of Directors that took place during the year under review.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report** that there are adequate systems and processes in the Company that commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period, there were no specific events/actions having a major bearing on the Companies affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

## Annual Report 2019-2020

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I further report that during the financial year under review, the Company has obtained approval of members under relevant sections of the Companies Act, 2013.

For and on behalf of  
LOYA & ASSOCIATES  
Practicing Company Secretary

Place: Mumbai  
Date: 04-09-2020

CS PADMA LOYA  
Proprietor  
M. No. 25349 COP. 14972  
UDIN:A025349B000665879

\*\*This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

### Annexure – A

To  
The Members of  
**M/s. ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**CIN NO: L24110MH1983PLC031395**  
60 CD "Shlok" Government Ind. Estate,  
Charkop, Kandivli (West),  
Mumbai-400067

My Report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to be express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examinations were limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For and on behalf of  
LOYA & ASSOCIATES  
Practicing Company Secretary

Place: Mumbai  
Date: 04-09-2020

CS PADMA LOYA  
Proprietor  
M. No. 25349 COP. 14972  
UDIN:A025349B000665879

**Annexure: "E"**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT-9**

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	:	L24110MH1983PLC031395
ii) Registration Date	:	21 <sup>st</sup> November, 1983
iii) Name of the Company	:	Royal Cushion Vinyl Products Limited
iv) Category/ Sub-Category of the Company	:	Public Company
v) Address of the Registered Office and contact details	:	60CD, SHLOK, Government Ind. Estate Charkop, Kandivali (West), Mumbai- 400 067. Website:- www.rcvp.in E-mail: legalho83@gmail.com
vi) Whether listed company	:	Yes, listed on BSE
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>M/s Universal Capital Securities Private Limited</b> Unit: Royal Cushion Vinyl Products Limited C 101, 247 Park, LBS Road, Vikhroli West, Mumbai - 400083. Tel Nos. : (022) 49186178/79 Fax No. : (022) 28207207 Email id : info@unisec.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of other Plastic Products (PVC Floor Covering)	22209	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: -**

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2019-20.

**IV SHAREHOLDING PATTERN (Equity Share Capital; Breakup as percentage of Total Equity)**

**i) Category- wise Share Holding**

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	402378	0	402378	3.33	402378	0	402378	3.33	0.00
(b)	Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	4137290	563460	4700750	38.95	4137290	563460	4700750	38.95	0.00



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(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(1)</b>	<b>4539668</b>	<b>563460</b>	<b>5103128</b>	<b>42.29</b>	<b>4539668</b>	<b>563460</b>	<b>5103128</b>	<b>42.29</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>									
a	NRIs – Individuals			0	0.00			0	0.00	0.00
b	Other Individuals			0	0.00			0	0.00	0.00
c	Bodies Corporate	0	2880000	2880000	23.87	0.00	2880000	2880000	23.87	0.00
d	Banks / FI			0	0.00			0	0.00	0.00
e	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>2880000</b>	<b>2880000</b>	<b>23.87</b>	<b>0</b>	<b>2880000</b>	<b>2880000</b>	<b>23.87</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4539668</b>	<b>3443460</b>	<b>7983128</b>	<b>66.16</b>	<b>4539668</b>	<b>3443460</b>	<b>7983128</b>	<b>66.16</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	5300	5300	0.04	0	5100	5100	0.04	0.00
(b)	Banks / FI	679589	1730	681319	5.65	679589	1730	681319	5.65	0.00
(c)	Central Govt(s)		0	0	0.00		0	0	0.00	0.00
(d)	State Govt(s)		0	0	0.00		0	0	0.00	0.00
(e)	Venture Capital Funds		0	0	0.00		0	0	0.00	0.00
(f)	Insurance Companies		0	0	0.00		0	0	0.00	0.00
(g)	FIs		0	0	0.00		0	0	0.00	0.00
(h)	Foreign Venture Capital Funds			0	0.00			0	0.00	0.00
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>679589</b>	<b>7030</b>	<b>686619</b>	<b>5.69</b>	<b>679589</b>	<b>6830</b>	<b>686419</b>	<b>5.69</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>									
<b>(a)</b>	<b>Bodies Corporate</b>									
(i)	Indian	403047	19220	422267	3.50	416198	19220	435418	3.61	0.11
(ii)	Overseas			0	0.00			0	0.00	0.00
<b>(b)</b>	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	974519	299805	1274324	10.56	947660	298405	1246065	10.33	-0.23
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1367503	0	1367503	11.33	1411528	0	1411528	11.70	0.36
<b>(c)</b>	<b>Others (specify)</b>									
(i)	Clearing Members	34142	0	34142	0.28	7436	0	7436	0.06	-0.22
(ii)	Trusts			0	0.00			0	0.00	0.00
(iii)	NRI / OCBs	2750	44850	47600	0.39	4050	44850	48900	0.41	0.01
(iv)	Foreign Nationals	134	0	134	0.00	134	0	134	0.00	0.00
(v)	HUF	251495	0	251495	2.08	248184	0	248184	2.06	-0.03
	<b>Sub-Total (B)(2)</b>	<b>3033590</b>	<b>363875</b>	<b>3397465</b>	<b>28.15</b>	<b>3035190</b>	<b>362475</b>	<b>3397665</b>	<b>28.16</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3713179</b>	<b>370905</b>	<b>4084084</b>	<b>33.84</b>	<b>3714779</b>	<b>369305</b>	<b>4084084</b>	<b>33.84</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>8252847</b>	<b>3814365</b>	<b>12067212</b>	<b>100.00</b>	<b>8254447</b>	<b>3812765</b>	<b>12067212</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>								0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>8252847</b>	<b>3814365</b>	<b>12067212</b>	<b>100.00</b>	<b>8254447</b>	<b>3812765</b>	<b>12067212</b>	<b>100.00</b>	<b>0.00</b>

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### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged /encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged /encumbered to total shares	
1	Anuradha Jayesh Jhaveri	28000	0.23	0.00	28000	0.23	0.00	0.00
2	Anuradha Arvind Motasha	1000	0.01	0.00	1000	0.01	0.00	0.00
3	Arvind Vadilal Motasha	16903	0.14	0.00	16903	0.14	0.00	0.00
4	Bhavana Mukesh Motasha	40822	0.34	0.00	40822	0.34	0.00	0.00
5	Deepak A Motasha	27001	0.22	0.00	27001	0.22	0.00	0.00
6	Dipti Jayesh Motasha	1051	0.01	0.00	1051	0.01	0.00	0.00
7	Hansa Arvind Motasha	27600	0.23	0.00	27600	0.23	0.00	0.00
8	Jayesh A Motasha	26800	0.22	0.00	26800	0.22	0.00	0.00
9	Jayshree Mahesh Shah	400	0.00	0.00	400	0.00	0.00	0.00
10	Mahesh Kantilal Shah	39450	0.33	0.00	39450	0.33	0.00	0.00
11	Meena Vinod Shah	74000	0.61	0.00	74000	0.61	0.00	0.00
12	Mukesh Amrutlal Motasha	25701	0.21	0.00	25701	0.21	0.00	0.00
13	Sushilaben K Shah	18550	0.15	0.00	18550	0.15	0.00	0.00
14	Suvrat Mahesh Shah	13600	0.11	0.00	13600	0.11	0.00	0.00
15	Sweta Deepak Motasha	300	0.00	0.00	300	0.00	0.00	0.00
16	Varun Jayesh Motasha	19800	0.16	0.00	19800	0.16	0.00	0.00
17	Vinod K Shah	41400	0.34	0.00	41400	0.34	0.00	0.00
18	Bhaktavatsala Trading & Con Ser Llp	1035210	8.58	37.62	1035210	8.58	37.62	0.00
19	Lokswami Trading & Con Ser Llp	403150	3.34	0.00	403150	3.34	0.00	0.00
20	Sahishnu Trading & Con Ser Llp	709340	5.88	5.83	709340	5.88	5.83	0.00
21	Shreedaha Trading & Con Ser Llp	709300	5.88	5.84	709300	5.88	5.84	0.00
22	Sughosh Trading & Con Ser Llp	709310	5.88	5.82	709310	5.88	5.82	0.00
23	Sumukh Trading & Con Ser Llp	44970	0.37	0.00	44970	0.37	0.00	0.00
24	Trilokatma Trading & Con Ser Llp	1035210	8.58	4.83	1035210	8.58	4.83	0.00
25	Trilokesh Trading & Con Ser Llp	45690	0.38	0.00	45690	0.38	0.00	0.00
26	Vishvamurti Trading & Con Ser Llp	8570	0.07	0.00	8570	0.07	0.00	0.00
27	Lapada (Mauritius) Limited	2880000	23.87	0.00	2880000	23.87	0.00	0.00

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### (iii) Change in Promoter's Shareholding (please specify, if there is no change) : No CHANGE

Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anuradha Jayesh Jhaveri	28000	0.23	28000	0.23
2	Anuradha Arvind Motasha	1000	0.01	1000	0.01
3	Arvind Vadilal Motasha	16903	0.14	16903	0.14
4	Bhavana Mukesh Motasha	40822	0.34	40822	0.34
5	Deepak Motasha	27001	0.22	27001	0.22
6	Dipti Jayesh Motasha	1051	0.01	1051	0.01
7	Hansa Arvind Motasha	27600	0.23	27600	0.23
8	Jayesh A Motasha	26800	0.22	26800	0.22
9	Jayshree Mahesh Shah	400	0.00	400	0.00
10	Mahesh Kantilal Shah	39450	0.33	39450	0.33
11	Meena Vinod Shah	74000	0.61	74000	0.61
12	Mukesh Amrutlal Motasha	25701	0.21	25701	0.21
14	Sushilaben K Shah	18550	0.15	18550	0.15
15	Suvrat Mahesh Shah	13600	0.11	13600	0.11
16	Sweta Deepak Motasha	300	0.00	300	0.00
17	Varun Jayesh Motasha	19800	0.16	19800	0.16
18	Vinod Kantilal Shah	41400	0.34	41400	0.34
19	Bhaktavatsala Trading & Con Ser Llp	1035210	8.58	1035210	8.58
20	Lokswami Trading & Con Ser Llp	403150	3.34	403150	3.34
21	Sahishnu Trading & Con Ser Llp	709340	5.88	709340	5.88
22	Shreedaha Trading & Con Ser Llp	709300	5.88	709300	5.88
24	Sughosh Trading & Con Ser Llp	709310	5.88	709310	5.88
26	Sumukh Trading & Con Ser Llp	44970	0.37	44970	0.37
27	Trilokatma Trading & Con Ser Llp	1035210	8.58	1035210	8.58
28	Trilokesh Trading & Con Ser Llp	45690	0.38	45690	0.38
29	Vishvamurti Trading & Con Ser Llp	8570	0.07	8570	0.07
30	Lapada (Mauritius) Limited	2880000	23.87	2880000	23.87

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the end of year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year					
1	KETAN BABULAL SHAH		294316	2.44	294316	2.44
2	IDBI BANK LTD.		261489	2.17	261489	2.17
3	BJD SECURITIES PVT LTD		163710	1.36		
	31-12-2019	Transfer	20650	0.17	184360	1.53
	03-01-2020	Transfer	53020	0.44	237380	1.97
	10-01-2020	Transfer	-22897	-0.19	214483	1.78
	17-01-2020	Transfer	4083	0.03	218566	1.81
	24-01-2020	Transfer	4671	0.04	223237	1.85
	31-01-2020	Transfer	4790	0.04	228027	1.89
	07-02-2020	Transfer	2388	0.02	230415	1.91
	14-02-2020	Transfer	900	0.01	231315	1.92
	21-02-2020	Transfer	9300	0.08	240615	1.99
	28-02-2020	Transfer	3100	0.03	243715	2.02
	06-03-2020	Transfer	6000	0.05	249715	2.07
	13-03-2020	Transfer	450	0.00	250165	2.07
	20-03-2020	Transfer	806	0.01	250971	2.08

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				0.00		0.00
4	SUNIL AMARLAL SHROFF		230145	1.91	230145	1.91
5	BANK OF BARODA		202500	1.68		
	26-04-2019	Transfer	20100	0.17	222600	1.84
6	BHARAT JAMNADAS DATTANI HUF		149143	1.24		
	10-01-2020	Transfer	-1900	-0.02	147243	1.22
7	UNION BANK OF INDIA		114400	0.95	114400	0.95
8	RAJESHRI K SHAH		110326	0.91	110326	0.91
9	BHARAT JAMNADAS DATTANI		108545	0.90		
	10-01-2020	Transfer	-750	-0.01	107795	0.89
10	BHARATI BHARAT DATTANI		99355	0.82		
	24-01-2020	Transfer	-1000	-0.01	98355	0.82
	31-01-2020	Transfer	-800	-0.01	97555	0.81

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Category	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1	<b>Mr. Mahesh K. Shah</b>	<b>Chairman &amp; Managing Director</b>				
	At the beginning of the year		39450	0.32	39450	0.32
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	-	-	-		-
	At the End of the year		39450	0.32	39450	0.32
2	<b>Mr. Jayesh Motasha</b>	<b>Director</b>				
	At the beginning of the year		26800	0.22	26800	0.22
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)		-	-		-
	At the End of the year		26800	0.22	26800	0.22
3	<b>Mrs. Avani Jolly Pandit</b>	<b>Independent Director</b>				
	At the beginning of the year		-	-	-	-
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)		-	-		-
	At the End of the year		-	-	-	-
4	<b>Mrs. Harsha Mukesh Shah</b>	<b>Independent Director</b>				
	At the beginning of the year		-	-	-	-
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)		-	-		-
	At the End of the year		-	-	-	-
5	<b>Ms. Nivedita Juvatkar*</b>	<b>Company Secretary</b>				
	At the beginning of the year		-	-	-	-
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)		-	-		-
	At the End of the year		-	-	-	-
6	<b>Mr. Urvish Shah**</b>	<b>Chief Financial Officer</b>				
	At the beginning of the year		NIL			
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)		---			
	At the End of the year		NIL			

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\*Ms. Nivedita Juvatkar is appointed as Company Secretary of the Company on 18th April, 2019.

\*\*Mr. Urvis Shah is appointed as Chief Financial Officer of the Company on 14th March, 2019 and has resigned from the post of Chief Financial Officer w.e.f 2nd July, 2019.

### V INDEBTEDNESS

(₹ In Lakhs)

	Secured Loan excluding deposits	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,447.09	2,977.85	-	16,424.94
ii) Interest due but not paid	16,415.07	-	-	16,415.07
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>29,862.16</b>	<b>2,977.85</b>	<b>-</b>	<b>32,840.01</b>
Change in Indebtedness during the financial year				
Addition	-	769.54		769.54
Reduction	(232.70)	18.65		251.34
<b>Net Changes</b>	<b>(232.70)</b>	<b>750.89</b>	<b>-</b>	<b>518.20</b>
Indebtedness at the end of the financial year				
i) Principal Amount	13,214.39	3,728.74	-	16,943.14
ii) Interest due but not paid	16,415.07	-	-	16,415.07
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>29,629.46</b>	<b>3,728.74</b>	<b>-</b>	<b>33,358.21</b>

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Mr. Mahesh. K. Shah Managing Director
Gross Salary	
(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	9,00,000
(b) Value of perquisites u/s. 17 (2) Income-tax Act, 1961	28,800
(c) Profits in lieu of Salary under section 17 (3) Income – tax Act, 1961	-
Stock Option	-
Sweat Equity	-
Commission - as % of profit - Others, specify	-
Others, please specify	-
<b>Total (A)</b>	<b>9,28,800</b>
<b>Ceiling as per the Act</b>	<b>As per Schedule V of Companies Act, 2013</b>

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### B. Remuneration to other directors: Nil

### C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:-

Particulars of Remuneration	*Mr. Urvish Shah, CFO	*Ms. Nivedita Juvatkar, Company Secretary
Gross Salary		
(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	3,78,152	5,22,496
(b) Value of perquisites u/s. 17 (2) Income-tax Act, 1961	-	
(c) Profits in lieu of Salary under section 17 (3) Income – tax Act, 1961	-	
Stock Option	-	
Sweat Equity	-	
Commission - as % of profit - Others, specify	-	
Others, please specify	-	
<b>Total (A)</b>	<b>3,78,152</b>	<b>5,22,496</b>

\*Mr. Urvish Shah is appointed as Chief Financial Officer of the Company with effect from 14<sup>th</sup> March, 2019 and resigned on 2nd July, 2019.

\* Ms. Nivedita Juvatkar is appointed as Company Secretary of the Company with effect from 18<sup>th</sup> April, 2019.

### VII PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

### 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, Automobiles etc. The Company has developed various new products.

#### OPPORTUNITIES AND THREATS:

The Company is amongst the market leaders in PVC vinyl flooring segment with introduction of new products, various productivity improvement initiatives and improved manufacturing processes, the performance of the Company will improve in the following years. Further due to reduction in imports from China, Indian products demand will improve.

#### SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company engaged only in one segment i.e. PVC products

#### OUTLOOK:

With the introduction of high value added products, the Company is optimistic about the growth in the coming years.

#### RISKS & CONCERNS:

Due to COVID -19 pandemic and frequent lockdown the demand is yet to pickup. The Company is focusing on shifting the product mix towards the high end product for better realization.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

There are documented and well established operating procedures in the company. The finance function of the company is also adequately staffed with qualified and experienced personnel.

#### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

To achieve its business and financial objectives, the Company focuses on initiatives to drive growth. The Company seeks to capture significant opportunities for growth by identifying and meeting consumer needs within its core categories.

#### MATERIAL DEVELOPMENTS IN HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

The Company places special emphasis on the human resources function in the organization and building strong relationship and establishing its brand in the market to attract and retain best talent. The Company consistently engages with employee to receive their feedback through group discussions etc. Based on the feedback, several positive changes are introduced in practice to provide a holistic experience. The total number of employees as on 31st March, 2020 stood at 171 .

#### CAUTIONARY STATEMENT:

The Information and opinions expressed in this Report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this Report.

**REPORT ON CORPORATE GOVERNANCE**

**(As required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

The Corporate Governance Report for the year under review from  
1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020

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

- i) That the Board and top management of the Company are fully appraised of the affairs of the Company that is aimed at assisting them in the efficient conduct of the Company's business so as to meet Company's obligations to the stakeholders.
- ii) That the Board exercises its fiduciary responsibilities towards shareholders and creditors as to ensure high accountability.
- iii) That all disclosure of information to present and potential investors are maximized.
- iv) That the decision-making process in the organization is transparent and are backed by documentary evidences.
- v) The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations with regard to Corporate Governance.

**2. Board of Directors**

As on 31<sup>st</sup> March, 2020 the Board comprises One Executive Director and three Non-Executive Directors. During the year 2019-2020 the Board met 9 times on the following dates, namely, 18<sup>th</sup> April, 2019, 29<sup>th</sup> May, 2019, 02<sup>nd</sup> July, 2019, 14<sup>th</sup> August, 2019, 23<sup>rd</sup> August, 2019, 29<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019, 26<sup>th</sup> December, 2019 and 14<sup>th</sup> February, 2020.

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

Sr. No.	Name of the Director	Category of Director	No. of Board Meeting attended	Attended Last AGM	No. of Directors hips held in other Indian Public Limited Companies <sup>#</sup>	Sitting Fees	No. of Committee* Positions held in other Indian Public Limited Companies-Chairman <sup>##</sup>	No. of Committee* Positions held in other Indian Public Limited Companies-Member <sup>##</sup>	Inter-se Relationship
							As prescribed in the explanation under Regulation 26 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015		
	Mr. Mahesh K. Shah	Executive Director Promoter	9	Yes	--	Nil	Nil	Nil	--
	Mr. Jayesh A. Motasha	Non Executive Director	9	Yes	--	Nil	Nil	Nil	--
	Mrs. Harsha Shah	Independent Director	9	Yes	--	---	---	--	--
	Mrs. Avani Pandit	Independent Director	9	Yes	---	---	---	---	---



## Annual Report 2019-2020

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# Does not include private companies, foreign companies and companies established under Companies Act, 2013.

## For this purpose, only Audit Committee and Stakeholders Relationship Committee are considered in public companies, excluding that of Royal Cushion Vinyl Products Limited.

### 3. Audit Committee

The Audit Committee comprises 3 Non-Executive Directors. During the year 2019-2020, the Audit Committee held Four meetings 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The terms of reference of the Audit Committee are stipulated under Listing agreement and LODR Regulations and Section 177 of Companies Act, 2013 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.	Mrs. Avani Pandit- Chairman	4
2.	Mrs. Harsha Shah - Member	4
3.	Mr. Jayesh Motasha - Member	4

### 4. Stakeholder Relationship Committee

As per the guidelines set out in the Listing Agreements with the Bombay Stock Exchanges and to be in compliance with Section 178 of Companies Act, 2013, the Board has constituted Shareholders/Investor Grievances and Share Transfer Committee, comprising three Non- Executive Directors namely Mr. Jayesh Motasha, Mrs. Harsha Shah and Mrs. Avani Pandit duly appointed as an Member.

The terms of reference of the Committee includes inter-alia, approves share transfer, issue of duplicate certificates and oversees and reviews all matters relating to transfer of securities of the Company. The Committee also look into redressal of shareholders/investors complaints in regard to transfer of shares, non- receipt of Annual Report, dividend etc.

The Committee oversees the performance of the Registrars and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors the implementation and compliance of the Company's Code of Practices and procedures for fair disclosures of unpublished price sensitive information pursuant to Regulation of SEBI (Prohibition of Insider Trading) Regulations, 2015 along with regulations 1992.

The composition of the Stakeholder Relationship Committee is as follows:

**Composition:** The Committee comprises 3 Non-Executive Directors of the Company. During the year it held 3 meetings 18<sup>th</sup> April, 2019, 20<sup>th</sup> August, 2019 and 14<sup>th</sup> February, 2020.

Sr. No.	Name of the Member	Meeting Attended
1.	Mr. Jayesh Motasha- Chairman	3
2.	Mrs. Harsha Shah - Member	3
3.	Mrs. Avani Pandit - Member	3

## Annual Report 2019-2020

The total number of complaints received, and replied to the satisfaction of the shareholders, during the year ended 31<sup>st</sup> March, 2020 was NIL. Outstanding complaints as on 31<sup>st</sup> March, 2020 were Nil.

The Company has acted upon all valid share transfer requests received during the year 2019- 2020. No request for transfer and dematerialization were pending as on 31<sup>st</sup> March, 2020.

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 31.03.2020	NIL
Number of Share Transfer pending for approval as at 31.03.2020	NIL

### 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consist of 3 Non-Executive Directors namely Mrs. Avani Pandit, Mrs. Harsha Shah and Mr. Jayesh Motasha. Broad terms of reference of Nomination and Remuneration committee included recommendation to the Board for salary/ perquisites payable to the Managing Director/ Whole time Directors/ Executive Directors/ Key Managerial Personnel and other top-level management.

**Composition:** The Committee comprises 3 Non-Executive Directors of the Company. During the year there were three (3) meeting conducted i.e. 18<sup>th</sup> April, 2019, 20<sup>th</sup> August, 2019 and 14<sup>th</sup> February, 2020.

Sr. No.	Name of the Member	Meeting Attended
1.	Mrs. Avani Pandit - Chairman	3
2.	Mrs. Harsha Shah - Member	3
3.	Mr. Jayesh Motasha - Member	3

Details of Remuneration paid for the year 2019-20 are as under:

Sr. No	Name	Salary	Perquisites
1.	Mr. Mahesh K. Shah	9,00,000	28,800
2.	**Mr.Urvish Shah	3,78,152	0
3.	**Ms. Nivedita Juvatkar	5,22,496	0

\*\*Mr. Urvish Shah, CFO of the Company have resigned on 02/07/2019.

\*\*Ms. Nivedita Juvatkar appointed as a Company Secretary on 18/04/2019.

The Nomination & Remuneration policy is available on website i.e. [www.rcvp.in](http://www.rcvp.in).

No sitting fees are paid to any of the Directors for attending Board Meetings/ Audit Committee / Stakeholder Relationship Committee and Nomination and Remuneration Committee.

### 6. Risk Management Policy

The Board of Directors has adopted the Risk Management policy for minimisation of various risks to be dealt by the company. The same is disclosed on the company website: - [www.rcvp.in](http://www.rcvp.in)

### 7. Code of Conduct

The Company has in place a Code of Conduct framed specifically in compliance with the provisions of Regulation 17 of the Listing Regulations. The matters covered in this code are of utmost importance to the Company, its

## Annual Report 2019-2020

shareholders, clients and business partners. The purpose of this code is to articulate highest standards of honesty, integrity, ethical and law- abiding behavior. It also aims to encourage the observance of these standards to protect and promote the interest of shareholders, employees, customers, suppliers and creditors. It sets out the responsibility, accountability and report and investigate any reported violations of the Code or unethical or unlawful behavior.

The Code of Conduct applicable to Board members and key employees of the Company has been posted on the Company website. For the year under review, all Board members and senior management personnel of the Company have confirmed their adherence to the provisions of the said Code. A certificate from the Managing Director this effect is attached to this Report. The same has been posted on the website [www.rcvp.in](http://www.rcvp.in).

### 8. Disclosures

#### a) General Body Meetings

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

Year	2016-2017	2017-2018	2018-2019
Date	26.09.2017	28.09.2018	30.09.2019
Time	12.30 p.m.	12.30 p.m.	12.30 p.m.
Venue	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067.	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067.	Company's Registered Office at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067.

Ms. Nivedita Juvatkar is appointed on 18/04/2019 as a Company Secretary and Compliance Officer.

The following are the special resolutions passed at the Annual General Meeting held in the last three years.

AGM held on	Special Resolution passed	Summary
26/09/2017	Yes	a) Approval of borrowing money upto Rs. 500 Crores. b) Approval of creation of charge/security over the assets of the Company in respect of borrowing. c) Approval for availing/ already availed financial assistance from the related parties. d) Approval to enter into a contract with related party under section 188 of the Companies Act, 2013.
28/09/2018	Yes	a) Approval of the Special Resolution under section 180 (1)(a). b) Approval for availing/ already availed financial assistance from the related parties.
30/09/2019	Yes	a) Approval of the Special Resolution under section 180(1)(a) b) Reappointment of Mr. Mahesh Shah as Managing Director of the Company for the period of 3 years. c) Appointment of Mrs. Harsha Mukesh Shah as an Independent Director of the Company. d) Appointment of Mrs. Avani Pandit as an Independent Director of the Company. e) Approval to enter into the contract with related party under Section 188 of the Companies Act, 2013.

There were resolution passed through Postal Ballot on 26/12/2019. The special resolution were:-

1. Approval for the Sale / Transfer / Disposal of the surplus land parcels of the Company.
2. Approval for mortgage, lease, provide charge or otherwise provide as a security of immovable property and/ or corporate guarantee in favour of the lenders / bankers of Natroyal Industries Private Limited.
3. To make loans or investments or to give guarantee or provide security.

#### b) Related Party Transactions:

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.

## Annual Report 2019-2020

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Attention of members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts - Note No. 31, forming part of Annual Report.

All the related party transactions in the ordinary course of business are placed periodically before the Audit Committee and they are negotiated on arm's length basis and are only intended to further the interest of the Company

The Policy on Materiality of Related Party Transaction is available on our website: [www.rcvp.in](http://www.rcvp.in)

**c) Listing Agreement:**

The Company has complied with all requirements of the Listing Agreement entered into with the Stock Exchange as well as the regulations and guidelines of SEBI LODR (Regulations, 2015).

**d) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior.

No person has been denied access to the Chairman of the audit committee. The Whistleblower Policy is available on our website: [www.rcvp.in](http://www.rcvp.in).

**e) Disclosures on Risk Management:**

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimisation procedures and the same is reviewed by the Board periodically.

**f) Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed INDAS issued by The Institute of Chartered Accountant of India to the extent applicable.

**OTHER DISCLOSURES:**

- i. Material significant related party transactions which may have potential conflict with the interests of the Company at large: -(NO)
- ii. Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large: -(NO)

**9. MEANS OF COMMUNICATION**

The quarterly and half yearly unaudited and annual audited financial results were published in 'Financial Express' in English and 'The Global Times' in Marathi (regional language). The quarterly financial results, shareholding pattern, reports on compliance with corporate governance, annual reports, etc. are regularly uploaded on the Company's website - '[www.rcvp.in](http://www.rcvp.in)', in compliance with Regulation 46 and 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**10. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46**

## Annual Report 2019-2020

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- a) The Company has a process to provide, inter-alia, the information to the Board as specified in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance. The Board also periodically reviews the compliances by the Company of all applicable laws.
- b) The Board of Directors in their meeting regularly discuss and are satisfied that the Company has plans in place for orderly succession for appointment to the Board of Directors and Senior Management.
- c) Code of Conduct for Board and Senior Managerial Personnel:- The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The code also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website [www.rcvp.in](http://www.rcvp.in). The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration in this regard signed by the Managing Director is given in this Report. The Company has adopted a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company [www.rcvp.in](http://www.rcvp.in). All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.
- d) The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) The Managing Director compliance certification under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.
- f) The Company has laid down procedures to inform the members of the Board about the risk assessment and minimisation procedures and the same is reviewed by the Board periodically.
- g) The Board on an annual basis evaluates the performance of Independent Directors. The Independent Directors have also given declarations that they fulfill the criteria of independence as specified in SEBI (LODR) Regulations, 2015 and that they are independent of the Company's management.
- h) The Company has formulated a policy on materiality of related party transactions and dealing with related party transactions including clear threshold limits approved by the Board which is available on the website of the Company ([www.rcvp.in](http://www.rcvp.in)).
- i) All related party transactions entered into by the Company with related parties are at an arms length basis and in the ordinary course of Company's business. Transactions with related parties are disclosed under notes forming part of the accounts. The Board and the Audit Committee periodically reviews the details of the related party transactions entered into by the Company. Omnibus approval from the Audit Committee is also obtained before entering into related party transactions. The necessary shareholders resolution is also obtained wherever necessary.
- j) No employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement for himself or on behalf of other person with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.
- k) Subsidiary Companies:- The Company does not have any subsidiary company.
- l) None of the Director of the Company is a director or act as independent director in more than seven listed entities and none of the Wholetime Director serve as an Independent Director in more than 3 listed entities. None of the Directors on the Board is a member of more than 10 committees and Chairman of more

## Annual Report 2019-2020

than 5 committees across all the companies in which they are Directors. All directors have disclosed their committee positions to the Company. For determining this limit, Chairpersonship and Membership of Audit Committee and Stakeholders Relationship Committee only are considered. In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, all the independent directors have given declaration of independence on 01<sup>st</sup> April 2020 and the same will be approved in the upcoming board meeting of the current financial year.

- n) Independent Directors Meeting During the financial year under review: the Independent Directors met on 14<sup>th</sup> February, 2020 without the attendance of non-independent directors and members of the management, inter-alia, to discuss: i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole; ii. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors; and iii. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the independent Directors were present at the said meeting.
- o) The Company maintains a functional website ([www.rcvp.in](http://www.rcvp.in)) containing the basic information about the Company. The Company has disseminated all the required information on its website as required under Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- p) Information on Director retiring by rotation and seeking the re-appointment and Director being re-appointed. Mr. Jayesh Motasha (DIN 00054236).
- q) Reconciliation of Share Capital Audit: A qualified Practicing Company Secretary carries out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- r) Dividend Distribution Policy:-Company has not declare any dividend.

### 11. GENERAL SHAREHOLDER INFORMATION

<b>A.</b>	<b>Annual General meeting</b>	
	Date and Time	30 <sup>th</sup> September, 2020 at 12.30 p.m.
	Venue	Through Video conferencing/ other audio visual means (VC/OAVM). 60 CD Shlok Government Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, shall deemed to be the venue of the AGM.
<b>B.</b>	<b>Financial Calendar</b>	April 1 <sup>st</sup> , 2020 to March 31 <sup>st</sup> , 2021
	Financial Reporting for 1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June, 2020	On or before August 14 <sup>th</sup> , 2020.
	Financial Reporting for 2 <sup>nd</sup> Quarter ending 30 <sup>th</sup> Sept, 2020	On or before November 14 <sup>th</sup> , 2020
	Financial Reporting for 3rd Quarter ending 31 <sup>st</sup> Dec, 2020	On or before the February 14 <sup>th</sup> , 2021
	Audited Results for the year ending March, 2021	On or before May 30 <sup>th</sup> , 2021
<b>C.</b>	<b>Date of Book closure</b>	Beginning from Thursday, 24 <sup>th</sup> September, 2020 to Wednesday 30 <sup>th</sup> September, 2020 (both days inclusive)
<b>D.</b>	<b>Dividend payment date</b>	Not applicable
<b>E.</b>	<b>Listing on Stock Exchanges</b>	<b>BSE LTD</b>
<b>F.</b>	<b>Stock Code</b>	BSE Ltd., Mumbai Scrip Code: 526193 Demat ISIN No. CDSL & NSDL: INE618A01011

## Annual Report 2019-2020

G.	Market price data (High, Low Market price on BSE Limited during each month of the financial year.																																																									
	<table><tr><th rowspan="2">Month</th><th colspan="2">Price</th><th rowspan="2">Total no. of Shares traded</th></tr><tr><th>High (Rs.)</th><th>Low(Rs.)</th></tr><tr><td>April' 2019</td><td>6.83</td><td>6.83</td><td>200</td></tr><tr><td>May' 2019</td><td>7.17</td><td>6.83</td><td>4200</td></tr><tr><td>June' 2019</td><td>0</td><td>0</td><td>0</td></tr><tr><td>July' 2019</td><td>0</td><td>0</td><td>0</td></tr><tr><td>August' 2019</td><td>7.52</td><td>6.82</td><td>501</td></tr><tr><td>September' 2019</td><td>6.80</td><td>6.50</td><td>30</td></tr><tr><td>October' 2019</td><td>6.50</td><td>6.50</td><td>1</td></tr><tr><td>November' 2019</td><td>6.20</td><td>5.61</td><td>463</td></tr><tr><td>December' 2019</td><td>5.88</td><td>5.32</td><td>25484</td></tr><tr><td>January' 2020</td><td>6.23</td><td>4.05</td><td>69367</td></tr><tr><td>February' 2020</td><td>4.20</td><td>3.43</td><td>14401</td></tr><tr><td>March' 2020</td><td>3.60</td><td>2.94</td><td>7657</td></tr></table>	Month	Price		Total no. of Shares traded	High (Rs.)	Low(Rs.)	April' 2019	6.83	6.83	200	May' 2019	7.17	6.83	4200	June' 2019	0	0	0	July' 2019	0	0	0	August' 2019	7.52	6.82	501	September' 2019	6.80	6.50	30	October' 2019	6.50	6.50	1	November' 2019	6.20	5.61	463	December' 2019	5.88	5.32	25484	January' 2020	6.23	4.05	69367	February' 2020	4.20	3.43	14401	March' 2020	3.60	2.94	7657			
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H.	Address for correspondence																																																									
		Registrar and Share Transfer Agent																																																								
		M/s. Universal Capital Securities Private Limited C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083. Tel No. 022- 49186178/79																																																								
		Company's Share Department and Compliance Officer for Investor Grievance Redressal																																																								
		Ms. Nivedita Juvatkar, Company Secretary and Compliance Officer, will be available at the following Registered Office address: Royal Cushion Vinyl Products Limited. 60 CD "SHLOK" Government Ind. Estate, Charkop, Kandivli (West), Mumbai 400 067 Tel No. 022- 28603516, Email: legalho83@gmail.com																																																								
I.	Share Transfer System																																																									
	M/s. Universal Capital Securities 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, 2020																																																									
	<table><tr><th>Range No. of equity shares</th><th>No. of Shareholder</th><th>%</th><th>No. of Shares</th><th>%</th></tr><tr><td>Upto 500</td><td>2673</td><td>83.09</td><td>4,75,419</td><td>3.94</td></tr><tr><td>501 – 1000</td><td>256</td><td>7.96</td><td>2,03,438</td><td>1.69</td></tr><tr><td>1001 – 2000</td><td>111</td><td>3.45</td><td>1,71,328</td><td>1.42</td></tr><tr><td>2001 – 3000</td><td>35</td><td>1.08</td><td>86,639</td><td>0.72</td></tr><tr><td>3001 – 4000</td><td>26</td><td>0.81</td><td>91,264</td><td>0.76</td></tr><tr><td>4001 – 5000</td><td>25</td><td>0.78</td><td>1,15,657</td><td>0.96</td></tr><tr><td>5001 – 10000</td><td>30</td><td>0.93</td><td>2,06,851</td><td>1.71</td></tr><tr><td>10001 and above</td><td>61</td><td>1.90</td><td>1,07,16,616</td><td>88.80</td></tr><tr><td>Total</td><td>3217</td><td>100.00</td><td>1,20,67,212</td><td>100.00</td></tr></table>	Range No. of equity shares	No. of Shareholder	%	No. of Shares	%	Upto 500	2673	83.09	4,75,419	3.94	501 – 1000	256	7.96	2,03,438	1.69	1001 – 2000	111	3.45	1,71,328	1.42	2001 – 3000	35	1.08	86,639	0.72	3001 – 4000	26	0.81	91,264	0.76	4001 – 5000	25	0.78	1,15,657	0.96	5001 – 10000	30	0.93	2,06,851	1.71	10001 and above	61	1.90	1,07,16,616	88.80	Total	3217	100.00	1,20,67,212	100.00							
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Total	3217	100.00	1,20,67,212	100.00																																																						
K.	Shareholding Pattern as on 31 <sup>st</sup> March, 2020																																																									
	<table><tr><th>Category</th><th>No. of Shares</th><th>% of Shareholding</th></tr><tr><td>Promoters (Including Foreign Promoters)</td><td>79,83,128</td><td>66.16</td></tr><tr><td>Mutual Fund &amp; UTI</td><td>5,100</td><td>0.04</td></tr><tr><td>Banks, Financial Institutions, etc.</td><td>6,81,319</td><td>5.65</td></tr><tr><td>Private Corporate Bodies</td><td>6,91,038</td><td>5.72</td></tr><tr><td>NRIs</td><td>49,034</td><td>0.41</td></tr><tr><td>Indian Public</td><td>26,57,593</td><td>22.02</td></tr><tr><td>Grand Total</td><td>1,20,67,212</td><td>100.00</td></tr></table>	Category	No. of Shares	% of Shareholding	Promoters (Including Foreign Promoters)	79,83,128	66.16	Mutual Fund & UTI	5,100	0.04	Banks, Financial Institutions, etc.	6,81,319	5.65	Private Corporate Bodies	6,91,038	5.72	NRIs	49,034	0.41	Indian Public	26,57,593	22.02	Grand Total	1,20,67,212	100.00																																	
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## Annual Report 2019-2020

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<b>L.</b>	<b>Dematerialization of Shares and Liquidity</b>
	11,07,592 (9.17%) of Equity Shares of Rs. 10/- each held in CDSL and 71,46,855 (59.22%) of Equity shares held in NSDL have been dematerialized as on 31 <sup>st</sup> March 2020.

### 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: 03/09/2020

**Mahesh Shah**  
Managing Director  
(DIN 00054351)

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### **Certificate by Managing Director in Terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is certified as under that:

We have reviewed the financial statements for the quarter/ year ended March 31, 2020 and certify that:

- a) These statements to the best of our knowledge and belief:
  - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading:
  - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for the financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and that no material deficiencies in the design or operation of internal controls were observed in the year ended March 31, 2020.
- d) We have also indicated to the Auditors and the Audit Committee.
  - (i) There have been no significant changes in Internal Controls with respect to financial reporting during the year.
  - (ii) There have been no significant change in accounting policies during the year.
  - (iii) There have no instances of significant fraud of which we have become aware.

This Certificate is given by the undersigned with full knowledge that on its faith and strength, full reliance is placed by the Board of Directors of the Company.

Place: Mumbai  
Dated: 30<sup>th</sup> July, 2020

**Mahesh K Shah**  
Managing Director  
00054351



## Annual Report 2019-2020

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### Declaration on Compliance with the Company's Code of Conduct

To,

The Members of  
**Royal Cushion Vinyl Products Limited**

I confirm that all Directors and members of Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the year ended March 31, 2020.

For **Royal Cushion Vinyl Products Limited**

Place : Mumbai  
Date : September 03, 2020

**Mahesh Shah**  
Chairman and Managing Director  
DIN 00054351

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### Certificate from Company Secretary in Practice

**In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) **(Listing Obligations and Disclosure Requirements) Regulations, 2015)** in respect of ROYAL CUSHION VINYL PRODUCTS LIMITED (CIN: L24110MH1983PLC031395) We hereby certify that :

On the basis of the written representation/ declaration received from the Directors and taken on record by the Board of Directors, as on March 31, 2020, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

Place: Mumbai  
Dated: 03<sup>rd</sup> September, 2020

For **Loya & Associates**  
Company Secretary

**Padma Loya**  
M No.25349  
C.P No.14972  
UDIN: A025349B000665890

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**Independent Auditor's Certificate on Corporate Governance**

**To**  
**The Members of**  
**Royal Cushion Vinyl Products Limited**  
**Mumbai**

1. We have examined the compliance of conditions of corporate governance by Royal Cushion Vinyl Products Limited ('the Company') for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Management's Responsibility**

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

**Auditor's Responsibility**

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

**Opinion**

5. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2020. We 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.

**Restriction on use**

6. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**PLACE : VADODARA.**  
**DATE : 04<sup>th</sup> September, 2020**

**FOR BIPIN & CO.**  
**Chartered Accountants**  
**Firm Registration No. 101509W**

**(A.D.SHAH)**  
**PARTNER**  
**MEMBERSHIP NO. 126337**  
**UDIN: 20126337AAAACY6762**

# Annual Report 2019-2020

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## Independent Auditor's Report

### To the Members of Royal Cushion Vinyl Products Limited Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Royal Cushion Vinyl Products Limited (the 'Company'), which comprise the Balance Sheet as at March 31<sup>st</sup> 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31<sup>st</sup> 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. Revenue recognition in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)  
Revenue recognition is significant audit risk within the Company. Risk exists in determination of transaction price in off-market transfer of investment by the company. The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.

#### Principal Audit Procedures

- Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
- We evaluated the design of internal controls relating to revenue recognition.
- We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition.
- We carried out a combination of procedures involving enquiry and observation, re performance and inspection.
- We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents.

- We have performed cut-off procedures for sample of revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115

### **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place

- and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
  - If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  - Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

15. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup> 2020 from being appointed as a director in terms of Section 164(2) of the Act;

## Annual Report 2019-2020

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- f) we have also audited the internal financial controls over financial reporting (IFCOFR) of the Company as on March 31<sup>st</sup> 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per "Annexure B" expressed an unmodified opinion;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements;
  - ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31<sup>st</sup> 2020;
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31<sup>st</sup> 2020.

**For Bipin & Co**  
**Chartered Accountants**  
**Firm Registration No.101509W**

**CA Amit D Shah**  
**Partner**  
**Membership No.: 126337**

**PLACE: Vadodara**  
**DATE: 30 July 2020**  
**UDIN:20126337AAAACH2675**

### **Annexure "A" to the Independent Auditor's Report of even date to the members of Royal Cushion Vinyl Products Limited, on the standalone financial statements for the year ended March 31<sup>st</sup> 2020**

#### **Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the yearend, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

## Annual Report 2019-2020

- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the records of the Company, the Company is generally not regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Valued Added Tax and Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, the undisputed statutory due which have remained outstanding as at 31st March, 2020, for a period of more than six months from the day they become payable are as under.

NAME OF THE STATUTE	NATURE OF THE DUE	AMOUNT
Custom Act	Custom Duty	56,83,94,779

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

Sr. No.	Nature of the Status	Nature of the due	Amount	Period to which the amount relate	Forum where dispute is Pending
1.	The Central Excise Act	Custom Duty	21,05,053	Various year	Commissioner Vadodara
2.	The FERA Act	Penalty	1,00,00,000	2002-03	Appellate Authority FERA New Delhi
3	The Income Tax Act	Penalty	46,62,473	Various years	Various Authorities
4	The Central Excise Act	Excise Duty	9,98,743	Various Year	Commissioner Vadodara

- viii) The Company has defaulted in repayment of dues to financial institution and Banks, the Company was registered with the Board for industrial and financial reconstructions (BIFR) since Sep 2003. Total amount payable as on 31<sup>st</sup> March, 2020 to various Banks & Financial Institutions are as under as per Books of Account (subject to reconciliation in absence of bank statements)

NAME OF BANKs/ INSTITUTIONs	AMOUNT ( ₹ )
SWAMINARAYAN CO-OP BANK LTD.	2,214,671
BARODA PEOPLES CO-OP BANK TERM LOAN	1,944,225
PANCHMAHAL DIST. CO-OP BANK LTD.	8,200,934
BARODA CITY CO-OP BANK	3,268,089
FINQUEST FINANCIAL SOLUTION PRIVATE LIMITED	2,372,044,523

- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, We report that No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

## Annual Report 2019-2020

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- (xiii) Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) According to the information and explanations given by the management and based on our examinations of the records of the Company, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order is not applicable to the Company and hence not commented upon.

**For Bipin & Co**  
**Chartered Accountants**  
**Firm Registration No.101509W**

**CA Amit D Shah**  
**Partner**  
**Membership No.: 126337**

**PLACE: Vadodara**  
**DATE: 30 July 2020**  
**UDIN:20126337AAAACH2675**

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### **Annexure "B" to the Auditors' Report**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under section 143(3)(i) of the Companies Act, 2013**

Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. In conjunction with our audit of the standalone financial statements of Royal Cushion Vinyl Products Limited (the "Company") as at and for the year ended March 31<sup>st</sup> 2020, we have audited the internal financial controls over financial reporting (IFCOFR) of the Company as of that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCOFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCOFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCOFR were established and maintained and if such controls operated effectively in all material respects.



4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCOFR and their operating effectiveness. Our audit of IFCOFR included obtaining an understanding of IFCOFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCOFR.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup> 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

PLACE: Vadodara  
DATE: 30 July 2020  
UDIN:20126337AAAACH2675

For Bipin & Co  
Chartered Accountants  
Firm Registration No.101509W

CA Amit D Shah  
Partner  
Membership No.: 126337

## Annual Report 2019-2020

### Balance Sheet as at 31<sup>st</sup> March, 2020

(Amount in ₹)

Particulars	Notes	As at 31 <sup>st</sup> Mar, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property Plant and Equipment	3	15,56,92,759	19,68,55,923
(b) Capital Work-in-Progress	3	52,02,336	39,92,328
(c) Investment Property	3	26,94,629	28,80,425
(d) Right of use assets	3	1,29,19,435	-
(e) Financial assets			
(i) Investments	4	20,24,557	20,20,278
(ii) Other Financial Assets	5	99,18,379	99,13,379
<b>Total Non Current assets</b>		<b>18,84,52,095</b>	<b>21,56,62,333</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	9,51,70,740	12,55,75,873
(b) Financial Assets			
(i) Trade Receivables	7	1,55,45,413	2,33,72,394
(ii) Cash and Cash Equivalents	8	38,17,047	18,62,208
(iii) Bank Balances other than Cash and Cash Equivalents	9	23,33,916	21,87,156
(iv) Loans	10	2,49,100	9,05,900
(c) Other Current Assets	11	2,98,68,598	52,28,431
(d) Current Tax Assets		40,90,537	31,34,214
<b>Total current assets</b>		<b>15,10,75,350</b>	<b>16,22,66,176</b>
<b>TOTAL ASSETS</b>		<b>33,95,27,445</b>	<b>37,79,28,509</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	12,06,72,120	12,06,72,120
(b) Other Equity	13	-4,64,82,50,314	-4,58,21,18,066
<b>TOTAL EQUITY</b>		<b>-4,52,75,78,194</b>	<b>-4,46,14,45,946</b>
<b>Liabilities</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	3,33,58,20,467	3,28,40,00,851
(b) Provisions	15	58,52,68,701	58,76,14,088
<b>Total Non-current liabilities</b>		<b>3,92,10,89,168</b>	<b>3,87,16,14,939</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	16		
- Due to Micro and Small Enterprises		85,76,805	66,23,833
- Others		83,64,54,703	94,55,92,035
(b) Other current liabilities	17	9,85,40,057	1,22,20,108
(c) Provisions	18	24,44,906	33,23,540
<b>Total current liabilities</b>		<b>94,60,16,471</b>	<b>96,77,59,516</b>
<b>Total liabilities</b>		<b>4,86,71,05,639</b>	<b>4,83,93,74,455</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,95,27,445</b>	<b>37,79,28,509</b>

See accompanying Notes to the Financial Statements

1 to 48

As per our report of even date

For BIPIN & CO.

Chartered Accountants

Firm Reg. No. 101509W

Amit Shah

(Partner)

Membership No. 126337

UDIN : 20126337AAAACH2675

Place : VADODARA

Date : 30-07-2020

For ROYAL CUSHION VINYL PRODUCTS LIMITED

MAHESH K SHAH

Chairman & Managing Director

00054351

JAYESH A MOTASHA

Director

00054236

NIVEDITA JUVATKAR

Company Secretary

ACS48850

Place : MUMBAI

Date : 30-07-2020

## Annual Report 2019-2020

### Statement of Profit and Loss for the year ended 31<sup>st</sup> March,2020

(Amount in ₹)

Particulars	Note No	for the year ended 31 <sup>st</sup> March,2020	for the year ended 31 <sup>st</sup> March,2019
Revenue from Operations	19	62,48,65,864	73,53,64,858
Other Incomes	20	10,12,95,058	22,21,03,477
<b>Total Income</b>		<b>72,61,60,922</b>	<b>95,74,68,335</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	47,93,69,196	57,89,80,839
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	22	2,90,29,980	1,44,01,027
Employee Benefits Expense	23	6,25,96,986	6,55,83,268
Finance Costs	24	3,84,66,003	4,96,74,947
Depreciation and Amortization Expense	3	1,92,16,142	1,36,34,464
Other Expenses	25	16,62,98,994	19,11,83,808
<b>Total Expenses</b>		<b>79,49,77,301</b>	<b>91,34,58,354</b>
Profit/(Loss) before exceptional items and tax		<b>(6,88,16,379)</b>	<b>4,40,09,981</b>
Exceptional Items		-	-
Profit/(Loss) before tax		<b>(6,88,16,379)</b>	<b>4,40,09,981</b>
Tax Expense:			
(1) Current Tax		-	-
(2) Deferred tax		-	-
<b>Profit/(Loss) for the period after Tax</b>		<b>(6,88,16,379)</b>	<b>4,40,09,981</b>
<b>Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		26,84,131	7,92,703
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>26,84,131</b>	<b>7,92,703</b>
<b>Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)</b>		<b>(6,61,32,248)</b>	<b>4,48,02,684</b>
Earnings per equity share ( for continuing operations):			
(1) Basic		(5.70)	3.65
(2) Diluted		(5.70)	3.65
See accompanying Notes to the Financial Statements	1 to 48		

As per our report of even date  
For BIPIN & CO.  
Chartered Accountants  
Firm Reg. No. 101509W

Amit Shah  
(Partner)  
Membership No. 126337  
UDIN : 20126337AAAACH2675

Place : VADODARA  
Date : 30-07-2020

For ROYAL CUSHION VINYL PRODUCTS LIMITED

MAHESH K SHAH  
Chairman & Managing Director  
00054351

JAYESH A MOTASHA  
Director  
00054236

NIVEDITA JUVATKAR  
Company Secretary  
ACS48850  
Place : MUMBAI  
Date : 30-07-2020

## Annual Report 2019-2020

### Statement of changes in Equity for the year ended 31<sup>st</sup> March, 2020

#### A. Equity Share Capital

(Amount in ₹)

	Balance at the beginning of the reporting period i.e. 01.04.2018	Changes in the equity share capital during the year 2018-19	Balance at the end of the reporting period i.e. 31.03.2019	Changes in the equity share capital during the year 2019-20	Balance at the end of the reporting period i.e. 31.03.2020
Number of Shares	1,20,67,212	-	1,20,67,212	-	1,20,67,212
Value of Shares	12,06,72,120	-	12,06,72,120	-	12,06,72,120

#### B. Other Equity

(Amount in ₹)

Particulars	Reserve & Surplus				Total
	Capital reserves	Securities Premium	Investment Allowance Reserve	Retained Earnings	
Balance as at 01.04.2018	6,49,080	72,32,25,231	45,34,000	(5,35,53,29,061)	(4,62,69,20,750)
Profit / (Loss) for the period	-	-	-	4,40,09,981	4,40,09,981
Other Comprehensive Income / (Loss)	-	-	-	7,92,703	7,92,703
<b>Total Other comprehensive income for the year</b>	-	-	-	<b>4,48,02,684</b>	<b>4,48,02,684</b>
Balance at the end of the reporting period i.e. 31.03.2019	6,49,080	72,32,25,231	45,34,000	(5,31,05,26,377)	(4,58,21,18,066)
Profit / (Loss) for the period	-	-	-	(6,88,16,379)	(6,88,16,379)
Other Comprehensive Income / (Loss)*	-	-	-	26,84,131	26,84,131
<b>Total Other comprehensive income for the year</b>	-	-	-	<b>(6,61,32,248)</b>	<b>(6,61,32,248)</b>
Balance at the end of the reporting period i.e. 31.03.2020	6,49,080	72,32,25,231	45,34,000	(5,37,66,58,625)	(4,64,82,50,314)

\* Represents remeasurements of defined benefit plans

## Annual Report 2019-2020

### CASH FLOW STATEMENT

(Amount in ₹)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit /(Loss) before Tax	<b>(6,61,32,248)</b>	<b>4,48,02,684</b>
Adjustment for :		
Depreciation	1,92,16,142	1,36,34,464
Finance Cost	3,84,66,003	4,96,74,947
Remeasurements of the defined benefit plans A/c	(26,84,131)	(7,92,703)
Miscellaneous Income		(1,14,694)
Interest Received	(7,03,749)	(7,53,293)
Loss on Sale of fixed assets	1,98,41,522	-
Lease Rent received	(38,00,660)	(49,53,578)
Share of (Profit) loss from Partnership firm	(4,279)	(924)
Unclaimed Liabilities / Balance Written Back	(90,16,778)	6,13,14,070 (21,17,43,373) (15,50,49,154)
<b>Operating profit before working capital changes</b>	<b>(48,18,178)</b>	<b>(11,02,46,470)</b>
Adjustment for :		
A-1 (Increase)/Decrease in inventories	3,04,05,133	1,36,66,584
(Increase)/Decrease in trade & other receivables	78,26,981	55,92,391
(Increase)/Decrease in other Current Assets	(2,49,44,690)	(2,72,952)
Increase/(Decrease) in trade payables	(10,71,84,361)	12,76,15,997
Increase/(Decrease) unclaimed Liabilities / Balance W/Back	90,16,778	21,17,43,373
Increase/(Decrease) in other current liabilities	7,27,17,685	(5,94,06,966)
Increase/(Decrease) in provisions	(32,24,021)	(1,53,86,494) (19,95,83,908) 9,93,54,519
<b>Net Cash from operating activities</b>	<b>(2,02,04,672)</b>	<b>(1,08,91,951)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(17,44,507)	(1,49,05,564)
Sale of fixed assets	81,95,422	-
Sale/Revaluation of investments	(4,279)	(2,34,337)
Remeasurements of the defined benefit plans A/c	26,84,131	7,92,703
Interest Received	7,03,749	7,53,293
Lease Rent received	38,00,660	49,53,578
Share of loss from Partnership firm	4,279	924
Miscellaneous Income	-	1,14,692
<b>Net Cash Used for Investing Activities</b>	<b>1,36,39,457</b>	<b>(85,24,712)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing	5,18,19,616	6,79,03,376
Lease rental paid	(62,42,302)	-
Interest paid	(3,69,10,500)	(4,96,74,947)
<b>Net Cash Used from Financing Activities</b>	<b>86,66,814</b>	<b>1,82,28,429</b>
<b>Net Increase in cash and cash collection ( A+B+C)</b>	<b>21,01,599</b>	<b>(11,88,233)</b>

## Annual Report 2019-2020

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Cash & Cash Equivalents at the beginning of the year	40,49,364	52,37,597
Cash & Cash Equivalents at the end of the year	61,50,963	40,49,364

Cash and Cash Equivalents shall comprise of:-		
Particulars	Amount in ₹	Amount in ₹
a. Balances with banks	36,73,185	14,90,301
b. Cash on hand	1,43,862	3,71,907
c. Fixed Deposit with banks (Other Bank Balances other than Cash and Cash Equivalents)	23,33,916	21,87,156
<b>Total</b>	<b>61,50,963</b>	<b>40,49,364</b>

As per our report of even date  
For BIPIN & CO.  
Chartered Accountants  
Firm Reg. No. 101509W

Amit Shah  
(Partner)  
Membership No. 126337  
UDIN : 20126337AAAACH2675

Place : VADODARA  
Date : 30-07-2020

For ROYAL CUSHION VINYL PRODUCTS LIMITED

MAHESH K SHAH  
Chairman & Managing Director  
00054351

JAYESH A MOTASHA  
Director  
00054236

Place : MUMBAI  
Date : 30-07-2020

NIVEDITA JUVATKAR  
Company Secretary  
ACS48850

**ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2020**

**1. CORPORATE INFORMATION:**

Royal Cushion Vinyl Products Ltd. (RCVP) is an ISO 9001:2008 Certified Indian Company with its flooring concepts provides a full range of standard and customized flooring for commercial, residential, Transport and contract range as per the industries need and under the brand name "Royal House." Royal Cushion Vinyl Products Ltd. plant spread across 70 acres of land, at village Garadhia, District Vadodara Gujarat for manufacturing of Vinyl Floorings of different types for various end- users and Rigid Films.

**2. SIGNIFICANT ACCOUNTING POLICIES TO FINANCIAL STATEMENTS:**

**2.1 Basis for preparation of financial accounting**

**(i) Statement of Compliance**

The financial statement of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified pursuant to Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act together with the comparative period data as at and for the year ended March 31, 2018

**(ii) Historical cost conversion**

The Financial Statements have been prepared on historical cost conventions basis, except for the following:

- Certain financial instruments that are measured at fair value at the end of each reporting period;
- Defined benefit plans - plan assets measured at fair value.

**(iii) Current and Non-Current classification**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

**2.2 Use of estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statement

**The company has consistently applied following accounting policies to all the period presented in these financial statements.**

**a) Property, plant and equipment**

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost of the transition date.

Free hold land is carried at cost and all other items of Property, Plant and Equipment are recorded at their cost of acquisition, net of taxes, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

## Annual Report 2019-2020

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Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent cost is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset, is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

### **Depreciation:**

The Company depreciated its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act 2013 for the proportionate period of use during the year. The depreciation on assets is provided on the straight-line method considering the useful life and residual value of respective asset. The residual values are not more than 5% of the original cost of the asset. Depreciation on assets purchased / installed during the year is calculated on a pro-rata basis from the date of such purchase / installation.

The useful life considered for calculation of depreciation for various asset class are as follows:

Particulars	Useful Life
Building (Factory)	30
Building (Residential)	30
Building (Fences, Wells, etc)	30
Plant and Machinery	15
Electrical Installations	15
Laboratory Equipment	15
Furniture	10
Office equipment	5
Vehicles - Four Wheeler	8

### **b) Intangibles**

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gain or loss arising on such de-recognition is recognised in profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

### **c) Inventories**



## Annual Report 2019-2020

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Inventories are stated at the lower of cost or net realizable value. Cost is determined on FIFO basis and is reduced by CENVAT, VAT and GST credits available under the respective laws. Net realizable value is determined after reducing the estimated selling cost from the estimated selling price.

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.

Stores and spares, parts and components are valued at cost.

### **d) Impairment of non-financial assets**

Assets subject to amortization are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **e) Revenue Recognition**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and taxes, revenue from sale of goods is recognized on transfer of significant risk and rewards of ownership of products to the customers, which is generally on dispatch of goods.

Revenue from job charges is recognized on completion of job work.

#### **Contract balances**

##### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due a contract asset is recognized for the earned consideration that is conditional.

##### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract

##### **Dividend**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

##### **Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to

the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### e) **Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of noncash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### f) **Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to -

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction

in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

Company as a lessor-

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

**g) Foreign Currency Transactions**

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in profit or loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**h) Taxation**

Current Income Taxes:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilize the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

### i) **Employee Benefits**

#### *Short term employee benefits:*

Employee benefits payable wholly within twelve months of rendering the service the service is classified as short-term employee benefits and are recognized in the period in which the employee renders the related service.

#### *Post-Employment benefits:*

Defined benefit plans: All employees are covered under Employees' Gratuity Scheme, which is a defined benefit plan. The Company contributes to a fund maintained with Life Insurance Corporation of India (LIC) on the basis of the year-end liability determined based on actuarial valuation using the Projected Unit Cost Method. Re-measurement of the net defined benefit liability, which comprise actuarial gains/losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized in Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognized in the Statement of Profit and Loss.

Defined contribution plans: All employees are covered under contributory provident fund benefit of a contribution of 12% of basic salary. Contributions to defined contribution scheme is charges to the Statement of Profit and Loss of the year, on due basis. There are no obligations other than the contributions payable to the respective funds.

Long-term employee benefits: Provision for long-term employee benefits comprise of compensated absences. There are measured on the basis of year-end actuarial valuation in line with the Company's rules for compensated absences. Re-measurement gains or losses are recognized in profit or loss in the period in which they arise.

### j) **Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

### k) **Provisions and contingent liabilities**

#### *Provisions*

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

#### *Contingent Liability and Contingent Assets*

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortization recognised in accordance with the requirements for revenue recognition.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### *Onerous Contract*

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

### l) **Earnings Per Share (EPS)**

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Basic earnings per Share is computed by dividing the net profit or loss for the year attributable to equity share holders, by the weighted average number of equity share outstanding during the period.

Diluted earning per share is computed by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted number of equity and equivalent diluted equity shares outstanding during the year except where the results would be antidilutive.

**m) Government Grants**

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic basis over the expected useful life of the related asset.

**n) Cash and cash equivalents**

Cash and cash equivalents include cash at bank and deposit with banks having original maturity of not more than three months. Bank deposit with original maturity period of more than three months but less than twelve months are classified as other bank balances.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and fixed deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**o) Investments in the nature of equity in subsidiaries, joint venture and associates**

The Company has elected to recognise its investments in equity instruments in subsidiaries, joint venture and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

**p) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

Initial recognition and measurement-

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in Three categories:

- i. Financial assets measured at amortized cost
  - ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
  - iii. Financial assets measured at fair value through profit or loss (FVTPL)
- i. A financial asset that meets the following two conditions is measured at amortized cost.
    - Business Model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
    - Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
  - ii. A financial asset that meets the following two conditions is measured at fair value through OCI:-
    - Business Model test: The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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- Cash flow characteristics test: The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

iii. All other financial assets are measured at fair value through profit and loss.

### **Equity instruments**

All equity instruments in scope of Ind AS 109 - [o] are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

### ***Derecognition-***

A financial asset is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

### ***Impairment of financial assets-***

In accordance with Ind AS 109, The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

depending upon whether there has been a significant increase in credit risk since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### ***Financial liabilities-***

#### ***Initial recognition and measurement-***

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### ***Subsequent measurement-***

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

#### ***Financial liabilities at fair value through profit or loss-***

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated

upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

### *Derecognition-*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognize amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **q) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

### **r) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

### **s) Recent Accounting pronouncements**

Standards issued but not yet effective and not early adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

#### 03: Property, Plant and Equipment

								(Amount in ₹)
	Land	Buildings	Plant & Equipment	Furniture & Fittings	Vehicle	Office Equipments	Total	Capital Work in progress
<b>Cost</b>								
As at March 31, 2018	48,07,771	6,77,01,927	14,57,30,077	13,55,120	4,67,311	41,21,573	22,41,83,778	15,612
Additions	-	9,61,858	97,26,400	-	-	2,40,593	1,09,28,850	39,76,716
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2019	48,07,771	6,86,63,785	15,54,56,476	13,55,120	4,67,311	43,62,166	23,51,12,629	39,92,328
Additions	-	-	54,500	-	-	4,80,000	5,34,500	12,10,007
Disposals	-	-	(2,68,37,827)	(3,05,897)	(4,69,583)	(4,23,638)	(2,80,36,945)	-
As at March 31, 2020	48,07,771	6,86,63,785	12,86,73,149	10,49,223	-2,272	44,18,528	20,76,10,184	52,02,335
<b>Accumulated depreciation and impairment</b>								
As at March 31, 2018	-	85,05,795	1,54,60,572	2,97,182	-10,274	5,52,625	2,48,05,900	-
Depreciation for the year	-	42,07,582	88,53,241	-	-	3,89,982	1,34,50,805	-
As at March 31, 2019	-	1,27,13,376	2,43,13,813	2,97,182	-10,274	9,42,607	3,82,56,705	-
Depreciation for the year	-	42,05,446	88,94,625	99,864	-	4,60,784	1,36,60,719	-
As at March 31, 2020	-	1,69,18,823	3,32,08,439	3,97,046	-10,274	14,03,391	5,19,17,423	-
<b>Carrying amount</b>								
As at March 31, 2019	48,07,771	5,59,50,408	13,11,42,663	10,57,938	4,77,585	34,19,559	19,68,55,923	39,92,328
As at March 31, 2020	48,07,771	5,17,44,962	9,54,64,710	6,52,177	8,002	30,15,138	15,56,92,759	52,02,336

Investment in Property	Amount in ₹		
	Land	Building	Total
<b>Cost</b>			
As at March 31, 2018	46,558	33,86,719	34,33,278
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	46,558	33,86,719	34,33,278
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	46,558	33,86,719	34,33,278

Accumulated depreciation and impairment	Amount in ₹		
	Land	Building	Total
As at March 31, 2018	-	3,69,193	3,69,193
Depreciation for the year	-	1,83,659	1,83,659
As at March 31, 2019	-	5,52,853	5,52,853
Depreciation for the year	-	1,85,795	1,85,795
As at March 31, 2020	-	7,38,648	7,38,648

<b>Carrying amount</b>			
As at March 31, 2019	46,558	28,33,867	28,80,425
As at March 31, 2020	46,558	26,48,071	26,94,629

<b>Right to Use Assets</b>		
	Building	Total
As at March 31, 2019	-	-
Addition on account of transition to Ind AS 116	49,58,887	49,58,887
Additions during the year	1,33,30,176	1,33,30,176
Less: Depreciation expense during the year	(53,69,629)	(53,69,629)
As at March 31, 2020	1,29,19,435	1,29,19,435



## Annual Report 2019-2020

### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amount in ₹)

04. INVESTMENT-NON-CURRENT				
Particulars	Units	As at 31 <sup>st</sup> March,2020	Units	As at 31 <sup>st</sup> March,2019
Long Term Investment (at cost)				
A Investment in Shares				
i) <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 Floor Limited	4,50,200	2,59,31,404	4,50,200	2,59,31,404
(U.K.) of STG pound 1 (one) each fully paid up.				
Less : provision for diminution in value of investment	4,50,200	2,59,31,404	4,50,200	2,59,31,404
		-		-
30,000 (PY 30,000) equity shares in AB Corp Ltd of '10/- each fully paid up.	30,000	24,75,000	30,000	24,75,000
Less : Provision for Diminution in value of Investment	30,000	24,75,000	30,000	24,75,000
		-		-
5,010 (PY 5,010) shares in Swaminarayan Co-op Bank Ltd. of '25/- each fully paid up.	5,010	1,25,250	5,010	1,25,250
12,500 (PY.12,500) shares in Baroda Peoples Co-op Bank Ltd of '10/- each fully paid up.	12,500	1,25,000	12,500	1,25,000
7,500 (PY.7,500) shares in Baroda City Co-op Bank Ltd. of '10/- each fully paid up.	7,500	75,000	7,500	75,000
1,416 (PY.1,000) shares in Saraswat Co-op Bank Ltd. of '10/- each fully paid up.	1,416	20,830	1,416	20,830
(Converted into 416 shares of Saraswat co-op bank ltd.against 1083 shares of Mandvi co-op Bank Ltd.)				
B <u>Government Securities</u>				
National Saving Certificates		2,000		2,000
(Pledged with Government Authorities )				
C <u>Investment by way of capital in a partnership firm</u>				
Creative Investment		16,76,477		16,72,198
<b>Total</b>		<b>20,24,557</b>		<b>20,20,278</b>
<b>Particulars</b>		<b>As at 31<sup>st</sup> March,2020</b>		<b>As at 31<sup>st</sup> March,2019</b>
Aggregate amount of unquoted investments		2,87,52,484		2,87,52,484
Aggregate Provision for the diminution in Value of investments		2,84,06,404		2,84,06,404

- 4.1) 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 Rs,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 honor 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.

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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amount in ₹)

#### 05. OTHER FINANCIAL ASSETS-CURRENT

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Deposits	99,18,379	99,13,379
<b>Total</b>	<b>99,18,379</b>	<b>99,13,379</b>

#### 06. INVENTORIES

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Raw materials	1,90,84,271	1,87,68,906
Work-in-progress	4,57,44,496	4,06,08,160
Finished goods	2,12,01,188	5,53,67,504
Packing Materials	18,44,647	21,91,049
Consumable Stores	72,59,929	83,87,454
Fuel	36,209	2,52,800
<b>Total</b>	<b>9,51,70,740</b>	<b>12,55,75,873</b>

#### 07. TRADE RECEIVABLES

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	84,11,443	1,13,19,664
Considered Doubtful	23,45,74,220	23,45,74,220
	<b>24,29,85,663</b>	<b>24,58,93,884</b>
Less : Provision for Doubtful Debts	23,45,74,220	23,45,74,220
	84,11,443	1,13,19,664
Others (Considered good)	71,33,970	1,20,52,730
<b>Total</b>	<b>1,55,45,413</b>	<b>2,33,72,394</b>

#### 08. CASH AND CASH EQUIVALENTS

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
a. Balances with banks	36,73,185	14,90,301
b. Cash on hand	1,43,862	3,71,907
<b>Total</b>	<b>38,17,047</b>	<b>18,62,208</b>

#### 09. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed Deposit with banks	23,33,916	21,87,156
<b>Total</b>	<b>23,33,916</b>	<b>21,87,156</b>

Fixed deposit of ₹23,33,916 (P.Y. ₹21,87,156) , held as security deposit against Bank Guarantee.

#### 10. LOANS-CURRENT

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advances to Employees	2,49,100	9,05,900
<b>Total</b>	<b>2,49,100</b>	<b>9,05,900</b>

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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amount in ₹)

#### 11. OTHER CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Prepaid Expenses	2,06,675	1,65,667
Advances to Suppliers	9,66,014	20,59,503
Balance with Government authorities	2,86,95,909	30,03,261
<b>Total</b>	<b>2,98,68,598</b>	<b>52,28,431</b>

#### 12. SHARE CAPITAL

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Authorised : 30,000,000 (Previous year 30,000,000) Equity Shares of ₹.10/- each	<b>30,00,00,000</b>	<b>30,00,00,000</b>
Issued, Subscribed & Paid up 12,067,212 (Previous Year 12,067,212) Equity Shares of ₹.10/- each fully paid up	12,06,72,120	12,06,72,120
<b>Total</b>	<b>12,06,72,120</b>	<b>12,06,72,120</b>

##### 12.1) 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.

##### 12.2 ) Reconciliation of the Shares outstanding and amount of share capital.

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	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	1,20,67,212	12,06,72,120	1,20,67,212	12,06,72,120

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

	As at Mar 31, 2020		As at Mar 31, 2019	
	Name of Share holder	% of Holding	Name of Share holder	% of Holding
1	Bhaktavatsala Trading & Consultancy Services LLP	10,35,210 8.58	10,35,210 8.58	
2	Sahishnu Trading & Consultancy Services LLP	7,09,340 5.88	7,09,340 5.88	
3	Shreedaha Trading & Consultancy Services LLP	7,09,300 5.88	7,09,300 5.88	
4	Sughosh Trading & Consultancy Services LLP	7,09,310 5.88	7,09,310 5.88	
5	Trilokatma Trading & Consultancy Services LLP	10,35,210 8.58	10,35,210 8.58	
6	Lapada (Mauritius) Limited	28,80,000 23.87	28,80,000 23.87	

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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amount in ₹)

#### 13. OTHER EQUITY

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>a. CAPITAL RESERVE</b>		
Opening Balance	6,49,080	6,49,080
Addition	-	-
Deduction	-	-
Closing Balance	6,49,080	6,49,080
<b>b. SECURITIES PREMIUM RESERVE</b>		
Opening Balance	72,32,25,231	72,32,25,231
Addition	-	-
Deduction	-	-
Closing Balance	72,32,25,231	72,32,25,231
<b>c. INVESTMENT ALLOWANCE RESERVE</b>		
Opening Balance	45,34,000	45,34,000
Addition	-	-
Deduction	-	-
Closing Balance	45,34,000	45,34,000
<b>d. SURPLUS/DEFICIT IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
Opening Balance	(5,31,05,26,377)	(5,35,53,29,061)
Remeasurement of defined benefits plans	26,84,131	7,92,703
Add : Profit/(Loss) for the year	(6,88,16,379)	4,40,09,981
Closing Balance	(5,37,66,58,625)	(5,31,05,26,377)
<b>Total</b>	<b>(4,64,82,50,314)</b>	<b>(4,58,21,18,066)</b>

#### Nature and Purpose of each reserve

- Capital reserve - During amalgamation, the excess of net assets taken, over the consideration paid, if any, is treated as capital reserve.
- Securities premium reserve - The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.
- Investment allowance reserve - Investment Allowance Reserve was created under the provisions of Income tax , when new machineries were purchased.

#### 14. BORROWING

Particulars	As at 31 <sup>st</sup> March, 2020 Non Current	As at 31 <sup>st</sup> March, 2019 Non Current
<b>Secured</b>		
From Banks :	1,56,27,919	1,56,27,919
Loans from Financial Institutions :	2,37,42,62,936	2,38,09,18,196
Secured by way of first charge on movable & immovable properties presents & future subject to the prior charge on specified movable properties created in favor of bankers, by way of security for borrowing and further secured by personal guarantee of promoters directors of the Company.		

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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

		(Amount in ₹)
<b>Loan from Others</b>	57,30,58,232	58,96,72,609
<b>Unsecured</b>		
From Companies	6,62,76,253	1,35,00,000
From Directors	7,30,52,609	5,05,89,609
From Others	23,35,42,518	23,36,92,518
<b>Total</b>	<b>3,33,58,20,467</b>	<b>3,28,40,00,851</b>

- 14.1 (a)** As in the past, in current year also, due to non-receipt of the statements / advices / balance confirmation certificates from the financial institutions / banks, book entries pertaining to banks and financial institutions, the balances 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 31.03.2020 are subject to adjustments, if any, to be carried out on receipt of the relevant statements / advices / balance confirmation certificates from banks/ financial institutions.
- (b)** The original lenders of the Company namely IDBI, Bank of India, Oriental Bank of Commerce and EXIM Bank had assigned their dues to Asset Reconstruction Company of India Limited ('ARCIL') in the year 2006-07 and thereafter ARCIL assigned its rights in dues of the Company to SICOM Limited in the year 2011-12. During the financial year 2017-18, SICOM Limited assigned its rights in the dues outstanding from the Company to Finquest Financial Solutions Private Limited ('Finquest'). Similarly, during the financial year 2017-18, Saraswat Co-op Bank Ltd. assigned its rights in the dues outstanding from the Company to Finquest. Therefore, the outstanding loan balance of all these original lenders have been presented to the credit of Finquest. The Company has not provided interest on loan outstanding to the credit of Finquest. Similarly, the Company has not provided interest on loan outstanding of Shree Swaminarayan Co-op Bank, The Baroda Peoples Co-op Bank, Baroda City Co-op Bank and Panchmahal District Co-op Bank as the Company has already given one-time settlement proposal to these lenders. Shree Swaminarayan co-op Bank Ltd. and The Baroda peoples co-op Bank Ltd. have agreed for OTS and payment for the same is done on 27.07.2020. Had the Company provided interest as per practice followed in earlier years, loss would have been higher by ₹ 13,19,33,797/- .Further, the Company had made an application to the Industries Commissionerate, Government of Gujarat ('GoG') for availing various reliefs and concessions provided to viable sick units located in Gujarat in terms of GoG's GR for reliefs and concessions to sick units. In terms of provisions of this GoG's GR, the Company have proposed to GoG and lenders of the Company namely Gujarat State Financial Corporation, Baroda City Co-op Bank and Panchmahal District Co-op Bank to settle their dues by making payment of principal outstanding dues. The GOG has registered the Company as a viable sick unit and granted relief and concession as per the order dated 20-07-2018 , whereby Company to pay principal outstanding loan of ₹ 135.57 lacs to GSFC along with interest @ 9% PA, out of this Principal amount of ₹ 113.39 lacs is paid till 31.3.20
- (c)** The Directors of the Company along with their family members and group companies/associates have arranged loans from Deutsch Bank (DB) and Capital First Limited (CFL) by giving their personal property as collateral security. These loans are released by DB and CFL to Natroyal Industries Private Limited ('NIPL'). Pursuant to the arrangement / understanding between NIPL, Directors, associates and the Company, the said loan amount were transferred by NIPL to the Company and the Company has treated the same as Loan from NIPL. The installments including interest is paid on the said Loan by the Company. The principal loan repayment amount is debited to NIPL Loan Account and interest thereon is debited to interest account in the Company's Books of Accounts. The loan outstanding as on 31.03.2020 for DB is ₹1165.60 lacs and CFL is ₹1174.69 lacs.

### 15. PROVISION - NON-CURRENT

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for Employee Benefits		
Provision for Gratuity	1,46,73,822	1,62,00,690
Provision for Leave Benefits	22,00,100	30,18,619
Provision for Customs duty including interest	56,83,94,779	56,83,94,779
<b>Total</b>	<b>58,52,68,701</b>	<b>58,76,14,088</b>

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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

- 15.1)** Under the Duty Exemption Scheme of Advance License ( as well as similar other license 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 licenses from time to time. In the past, it had fulfilled its export obligations. The Company had imported duty free raw material under certain licenses, however 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 fulfillment of export obligations, the authorities can recover the import duty and mandatory interest thereon. From 01.04.2014 the Company has stopped providing interest on custom duty liability, as company has filed DRS with BIFR with a request to fulfill balance export obligation with seven year of approval of the DRS. The Government of India notified certain provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") w.e.f. December 1, 2016 which had the effect of abatement of the pending proceedings of the Company before the Hon'ble BIFR. Now, the said proceedings will be governed by the provisions of the newly notified IBC laws. The Company has filed as application before NCLT, Mumbai under IBC law on 29.05.2017. Many hearings were taken place during last one year, however, in the last hearing held on 23.04.2018, the Company withdrew the application from NCLT. Had the company provided interest as per practice followed in earlier years loss would have been higher by ₹278.66 lacs and reserve and surplus would have been lower to that extent during the year.
- 15.2)** BIFR's Order dated 11/06/2015 includes various reliefs from DFGT such as extension of Export Obligation Period, Waiver of Penalties and also refund from Customs against Advance Licenses and EPCG Licenses once the export obligation is extended and completed. The company has already got extension of export obligation for various Licenses and is in the process of getting extension of Export Obligation of Advance Licenses and EPCG Licenses. In the year 2000, 2001 and 2006, the Customs Dept. has encashed Bank Guarantees provided by Union Bank of India and Global Trust Bank. The total amount of these Guarantees is ₹4.35 Crores. The company is in the process of consolidating all the documents and will file the claim with Customs Dept. for refund of the Bank Guarantees amount etc. As the application is yet to be filed, this amount is not shown as "Receivable" in the Balance Sheet.

#### 16. TRADE PAYABLES

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Micro & Small Enterprises ( Ref Note No.36)	85,76,805	66,23,833
Others	83,64,54,703	94,55,92,035
<b>Total</b>	<b>84,50,31,508</b>	<b>95,22,15,868</b>

#### 17. OTHER CURRENT LIABILITIES

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(a) Advance from Customers	7,23,27,783	21,35,473
(b) Statutory Liabilities	55,48,330	40,20,691
(c) Other Liabilities	2,06,63,944	60,63,944
<b>Total</b>	<b>9,85,40,057</b>	<b>1,22,20,108</b>

#### 18. PROVISIONS - CURRENT

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(a) Provision for Gratuity	17,96,270	25,04,159
(b) Provision for Leave Benefits	6,48,636	8,19,381
<b>Total</b>	<b>24,44,906</b>	<b>33,23,540</b>

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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

Particulars	for the year ended 31 <sup>st</sup> March, 2020	for the year ended 31 <sup>st</sup> March, 2019
<b>19. REVENUE FROM OPERATION</b>		
Sales of Products	62,24,41,747	73,17,21,511
	62,24,41,747	73,17,21,511
Other Operating Revenue		
Sale of Scrap	24,24,117	34,15,620
Others	-	2,27,727
	24,24,117	36,43,347
<b>Total :</b>	<b>62,48,65,864</b>	<b>73,53,64,858</b>

#### 19.1)

Particulars	for the year ended 31 <sup>st</sup> March, 2020	for the year ended 31 <sup>st</sup> March, 2019
<b><u>DETAILS OF TURNOVER :</u></b>		
PVC Floor Covering	62,24,41,747	73,17,21,511
<b>Total :</b>	<b>62,24,41,747</b>	<b>73,17,21,511</b>

#### 20. OTHER INCOMES

Interest	7,03,749	7,53,293
Govt. Grant received (refer note no.40)	8,74,82,676	-
Commission on sales	2,86,915	45,37,615
Unclaimed Liabilities /Provision / Balance W/Back	90,16,778	21,17,43,373
Lease Rent	38,00,660	49,53,578
Share of profit from Partnership firm	4,279	924
Miscellaneous Income	-	1,14,694
<b>Total</b>	<b>10,12,95,058</b>	<b>22,21,03,477</b>

20.1 Unclaimed Liabilities/Balances written back represents balances of various suppliers, advances from customers, balances of banks and financial Institutions etc. Which are no longer payable, have been written back.

#### 21. COST OF MATERIAL CONSUMED

Opening Stock	1,87,68,906	1,70,82,169
Purchases	47,96,84,561	58,06,67,576
	49,84,53,467	59,77,49,745
Less: Closing Stock	1,90,84,271	1,87,68,906
<b>Total :</b>	<b>47,93,69,196</b>	<b>57,89,80,839</b>

#### 21.1) Value of Consumption of directly imported and Indigenously obtained Raw materials & the percentage of each to the total.

RAW MATERIAL CONSUMED	Amount	%	Amount	%
Imported	23,32,181	0.49	39,22,099	1
Indigenous	47,70,37,015	99.51	57,50,58,740	99
<b>Total</b>	<b>47,93,69,196</b>	<b>100.00</b>	<b>57,89,80,839</b>	<b>100</b>

RAW MATERIAL CONSUMED	Amount	Amount
PVC Resin	22,92,29,730	25,63,70,075
Plasticizers	9,87,98,133	13,68,38,024
Others	15,13,41,333	18,57,72,740
<b>Total</b>	<b>47,93,69,196</b>	<b>57,89,80,839</b>

Particulars	for the year ended	for the year ended
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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amount in ₹)

Particulars	for the year ended 31 <sup>st</sup> March, 2020	for the year ended 31 <sup>st</sup> March, 2019
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Work-In-Progress		
Opening Stock		
Finished Goods	5,53,67,504	5,90,01,431
Work-in-process	4,06,08,160	5,13,75,260
	<u>9,59,75,664</u>	<u>11,03,76,691</u>
Less: Closing Stock		
Finished Goods	2,12,01,188	5,53,67,504
Work-in-process	4,57,44,496	4,06,08,160
	<u>6,69,45,684</u>	<u>9,59,75,664</u>
<b>Total</b>	<b>2,90,29,980</b>	<b>1,44,01,027</b>
<b>22.1) Details of inventory of Finished Goods</b>	<b>Amount</b>	<b>Amount</b>
PVC Floor Covering	2,12,01,188	5,53,67,504
<b>Total :</b>	<b>2,12,01,188</b>	<b>5,53,67,504</b>
<b>23. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries	5,51,02,049	5,86,05,997
Contribution to Provident Fund and Other Funds	36,83,759	25,25,914
Gratuity	21,42,625	24,75,491
Staff Welfare	16,68,553	19,75,866
<b>Total</b>	<b>6,25,96,986</b>	<b>6,55,83,268</b>
<b>24. FINANCE COSTS</b>		
Interest on long term borrowings	3,28,86,019	4,65,87,237
Ineterst on Lease Liabilities	15,55,502	-
Bank Charges	40,24,482	30,87,710
<b>Total</b>	<b>3,84,66,003</b>	<b>4,96,74,947</b>
<b>25. OTHER EXPENSES</b>		
Consumption of stores and spares	76,87,338	1,15,57,299
Consumption of packing material	2,16,32,842	2,80,81,152
Power and fuel	7,76,84,790	9,28,16,209
Lease Rent	2,85,570	69,20,308
Rates and taxes	14,37,345	5,34,431
Insurance	19,64,175	5,79,854
Electricity Charges	11,88,127	13,07,293
<b>Repairs and maintenance</b>		
- Plant and machinery	32,48,012	64,44,326
- Buildings	24,199	1,75,437
- Others	56,778	78,459
Design & Development	7,88,006	5,02,996
Machine Operating Charges	34,24,702	37,67,150
Services and maintenance	71,63,006	1,07,13,999
Advertising and sales promotion	3,66,827	4,23,093
Travelling and conveyance	6,12,316	18,23,717



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### Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amount in ₹)

Telephone Expense	4,36,280	5,76,227
Vehicle Expense	29,69,388	42,09,225
Legal and professional fees	64,30,432	63,51,518
Payment to auditor		
- Audit fees	2,27,400	2,27,400
- Tax Audit fees	33,000	33,000
- Certification Work	20,000	45,000
Professional Tax - Company	-	12,000
Loss on sale of Fixed assets/Assets Written off (refer note no.41)	1,98,41,522	-
Freight and forwarding charges Outward	19,30,112	24,85,552
Miscellaneous expenses	61,42,262	1,12,90,436
Bad debts w/off	7,04,565	2,27,727
<b>Total</b>	<b>16,62,98,994</b>	<b>19,11,83,808</b>

#### Note 26 Categories of Financial Instruments and Fair Value Hierarchy

	Amount	As at 31-03-2020		
		Level 1	Level 2	Level 3
<b><u>Financial Assets</u></b>				
<b><u>Classified as Fair value through Profit &amp; Loss</u></b>				
Investments :-				
In Equity Instruments (Unquoted)	3,46,080	-	-	3,46,080
<b><u>Classified as Amortised Cost</u></b>				
Investment in Partnership firms	16,76,477	-	-	-
Govt. Securities	2,000	-	-	-
Trade Receivables	1,55,45,413	-	-	-
Loans	2,49,100	-	-	-
Cash and cash equivalents	38,17,047	-	-	-
Bank Balances other than Cash and				
Cash Equivalents	23,33,916			-
Security Deposit	99,18,379			-
<b>Total Financial Assets</b>	<b>3,38,88,412</b>	<b>-</b>	<b>-</b>	<b>3,46,080</b>
<b><u>Financial Liabilities</u></b>				
<b><u>Classified as Amortised Cost</u></b>				
Borrowings	3,33,58,20,467	-	-	-
Trade payables	84,50,31,508	-	-	-
Other Financial Liability	-	-	-	-
<b>Total Financial liabilities</b>	<b>4,18,08,51,975</b>	<b>-</b>	<b>-</b>	<b>-</b>

		As at 31-03-2019		
	Amount	Level 1	Level 2	Level 3
<b><u>Financial Assets</u></b>				
<b><u>Classified as Fair value through Profit &amp; Loss</u></b>				
Investments :-				
In Equity Instruments (Unquoted)	3,46,080	-	-	3,46,080
<b><u>Classified as Amortised Cost</u></b>				
Investment in Partnership firms	16,72,198	-	-	-
Govt. Securities	2,000	-	-	-
Trade Receivables	2,33,72,394	-	-	-

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Loans	9,05,900	-	-
Cash and cash equivalents	18,62,208	-	-
Bank Balances other than Cash and Cash Equivalents	21,87,156	-	-
Security Deposit	99,13,379	-	-
<b>Total Financial Assets</b>	<b>4,02,61,315</b>	-	<b>3,46,080</b>
<b><u>Financial Liabilities</u></b>			
<b><u>Classified as Amortised Cost</u></b>			
Borrowings	3,28,40,00,851	-	-
Trade payables	95,22,15,868	-	-
Other Financial Liability	-	-	-
<b>Total Financial liabilities</b>	<b>4,23,62,16,719</b>	-	-

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, it has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: Such inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset and liability, either directly or indirectly.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximates the fair value because there is wide range of possible fair value measurements and the costs represents estimate of fair value within that range.

The Management considers that the carrying amount of financials assets and financial liabilities carried at amortised cost approximates their fair values.

### Note 27 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

#### A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

##### a) Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However credit risk with regards to trade receivable is almost negligible in case of its residential sale and lease rental business as the same is due to the fact that in case of its residential sell business it does not handover possession till entire outstanding is received. No impairment is observed on the carrying value of trade receivables.

##### b) Cash and Cash Equivalents

Credit risk from balances with banks and financial institutions is managed by the Company's treasury

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department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank overdrafts, bank loans, debentures and inter-corporate loans. "The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below provides details regarding the contractual maturities of significant financial liabilities :

(Amount in ₹)

For the year ended 31.03.2020				
Particulars	Less than 1 Year	1-5 Years	above 5yrs	Total
Borrowings	3,11,87,66,558	13,23,55,260	8,46,98,649	3,33,58,20,466
Trade payables	94,35,71,565	-	-	94,35,71,565
<b>Total</b>	<b>4,06,23,38,123</b>	<b>13,23,55,260</b>	<b>8,46,98,649</b>	<b>4,27,93,92,031</b>
For the year ended 31.03.2019				
Particulars	Less than 1 Year	1-5 Years	above 5yrs	Total
Borrowings	3,04,93,24,547	11,24,49,517	12,22,26,787	3,28,40,00,851
Trade payables	95,22,15,868	-	-	95,22,15,868
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>4,00,15,40,415</b>	<b>11,24,49,517</b>	<b>12,22,26,787</b>	<b>4,23,62,16,719</b>

### Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to commodity prices and the market value of its investments.

### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

## Note 28 EMPLOYEE BENEFIT PLANS

(all figures in Indian Rupees)

### Annexure 'A' GRATUITY

Defined Benefit Plans- as per actuarial valuation under Ind AS 19		
Period of accounting		
Valuation Result as at	31-Mar-20	31-Mar-19
<b>I Changes in present value of obligations</b>		
PVO at beginning of period	1,87,04,849	1,78,50,001
Interest cost	13,55,439	12,80,836
Current Service Cost	7,87,186	9,75,333

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Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	(16,93,251)	(6,08,618)
Contributions by plan participants	-	-
Business Combinations	-	-
Curtailments	-	-
Settlements	-	-
Actuarial (Gain)/Loss on obligation	(26,84,131)	(7,92,703)
PVO at end of period	1,64,70,092	1,87,04,849
<b>II Interest Expenses</b>		
Interest cost	13,55,439	12,80,836
<b>III Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning	-	-
Interest Income	-	-
<b>IV Net Liability</b>		
PVO at beginning of period	1,87,04,849	1,78,50,001
Fair Value of the Assets at beginning report	-	-
Net Liability	1,87,04,849	1,78,50,001
<b>V Net Interest</b>		
Interest Expenses	13,55,439	12,80,836
Interest Income	-	-
Net Interest	13,55,439	12,80,836
<b>VI Actual return on plan assets</b>	-	-
Less Interest income included above	-	-
Return on plan assets excluding interest income	-	-
<b>VII Actuarial (Gain)/loss on obligation</b>		
Due to Demographic Assumption*	-	-
Due to Financial Assumption	(12,31,810)	(4,05,775)
Due to Experience	(14,52,321)	(3,86,928)
Total Actuarial (Gain)/Loss	(26,84,131)	(7,92,703)

\*This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience

### Annexure 'A' GRATUITY

Accounting Disclosures Statement		
Period of accounting	31-Mar-20	31-Mar-19
<b>VIII Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Asset	-	-
Adjustment to Opening Fair Value of Plan Asset	-	-
Return on Plan Assets excl. interest income	-	-
Interest Income	-	-
Contributions by Employer	16,93,251	6,08,618
Contributions by Employee	-	-
Benefits Paid	(16,93,251)	(6,08,618)
Fair Value of Plan Assets at end	-	-

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<b>IX</b>	<b>Past Service Cost Recognised</b>		
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Average remaining future service till vesting of the benefit	-	-
	Recognised Past service Cost- non vested benefits	-	-
	Recognised Past service Cost- vested benefits	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-
<b>X</b>	<b>Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>		
	PVO at end of period	1,64,70,092	1,87,04,849
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(1,64,70,092)	(1,87,04,849)
	Net Asset/(Liability) recognized in the balance sheet	(1,64,70,092)	(1,87,04,849)
<b>XI</b>	<b>Expense recognized in the statement of P &amp; L A/C</b>		
	Current Service Cost	7,87,186	9,75,333
	Net Interest	13,55,439	12,80,836
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Curtailement Effect	-	-
	Settlement Effect	-	-
	Unrecognised Past Service Cost- non vested benefits	-	-
	Actuarial (Gain)/Loss recognized for the period	-	-
	Expense recognized in the statement of P & L A/C	21,42,625	22,56,169
<b>XII</b>	<b>Other Comprehensive Income (OCI)</b>		
	Actuarial (Gain)/Loss recognized for the period	(26,84,131)	(7,92,703)
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	(26,84,131)	(7,92,703)
<b>XIII</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	1,87,04,849	1,78,50,001
	Adjustment to opening balance	-	-
	Expenses as above	21,42,625	22,56,169
	Contribution paid	(16,93,251)	(6,08,618)
	Other Comprehensive Income(OCI)	(26,84,131)	(7,92,703)
	Closing Net Liability	1,64,70,092	1,87,04,849
<b>XIV</b>	<b>Schedule III of The Companies Act 2013</b>		
	Current Liability	17,96,270	25,04,159
	Non-Current Liability	1,46,73,822	1,62,00,690
<b>XV</b>	<b>Projected Service Cost 31 Mar 2021</b>	9,25,538	
<b>XVI</b>	<b>Asset Information</b>	Target Allocation	
	Not Applicable as the plan is unfunded.		

## Annual Report 2019-2020

XVII Assumptions as at	31-Mar-2020	31-Mar-2019
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	6.80%	7.59%
Rate of increase in compensation	8.00%	10.00%
Annual increase in healthcare costs		
Future Changes in maximum state healthcare benefits		
Expected average remaining service	9.80	10.19
Retirement Age	58 Years	58 Years
Employee Attrition Rate	Age: 0 to 40 : 3%	Age: 0 to 40 : 3%
	Age: 41 to 50 : 2%	Age: 41 to 50 : 2%
	Age: 51 to 58 : 1%	Age: 51 to 58 : 1%

	31-Mar-20	31-Mar-19
XVIII Sensitivity Analysis		
	DR: Discount Rate	ER: Salary Escalation Rate
	PVO ER +1%	PVO ER -1%
PVO	1,53,89,606	1,76,86,337
	PVO DR +1%	PVO DR -1%
	1,75,57,013	1,54,85,041

XIX Expected Payout	Expected	Expected	Expected	Expected	Expected	Expected
Year	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Outgo Six to Ten years
Payouts	17,96,270	4,19,274	10,86,119	9,53,066	22,04,560	1,02,69,202

XX Asset Liability Comparisons	31-Mar-2016	31-Mar-2017	31-Mar-2018	31-Mar-2019	31-Mar-2020
Year					
PVO at end of period	1,83,69,543	2,19,09,912	1,78,50,001	1,87,04,849	1,64,70,092
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(1,83,69,543)	(2,19,09,912)	(1,78,50,001)	(1,87,04,849)	(1,64,70,092)
Experience adjustments on plan assets	-	-	-	-	-

### Note 29 Capital management

The company's objectives when managing capital are to:

- > Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

(Amount in ₹)

Particulars	31-03-2020	31-03-2019
Gross Debt	3,33,58,20,467	3,28,40,00,851
Less: -		
Cash and Cash Equivalent	38,17,047	18,62,208
Other Bank Balance	23,33,916	21,87,156
Net debt (A)	3,32,96,69,504	3,27,99,51,487
Total Equity (B)	-4,52,75,78,194	-4,46,14,45,946
<b>Net debt to equity ratio</b>	<b>-0.74</b>	<b>-0.74</b>

## Annual Report 2019-2020

### Note 30 - Segment Reporting

The company is engaged in manufacture of PVC products (PVC Laminated Sheet/Tiles, PVC Leather Cloth). Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

### Note 31 - Related Party transactions

#### 1 NAME OF RELATED PARTIES AND RELATIONS

(A) SUBSIDIARY COMPANY	(B) ASSOCIATES CONCERN	(C) (i) KEY MANAGERIAL PERSONNEL
a) Euro royal Floors Ltd.	a) Natroyal Industries Pvt.Limited	a) Mahesh K Shah (Chairman & Managing Director)
	b) Sughosh Trading & Consultancy Services LLP	b) Jayesh Motasha (Non Executive Director)
	c) Trilokatma Trading & Consultancy Services LLP	c) Nivedita Juvatkar (Company Secretary)
	d) Shreedaha Trading & Consultancy Services LLP	
	e) Shreeshaha Trading & Consultancy Services LLP	(D) BOARD OF DIRECTORS
	f) Bhaktavatsala Trading & Consultancy Services LLP	a) Mahesh K Shah (Chairman & Managing Director)
	g) Trilokesh Trading & Consultancy Services LLP	b) Jayesh Motasha (Non Executive Director)
	h) Lokwami Trading & Consultancy Services LLP	c) Harsha Shah
	i) Sahishnu Trading & Consultancy Services LLP	d) Avani Pandit

#### 2 RELATED PARTY TRANSACTIONS

Sr.	Nature of Transaction	Subsidiary	2019-20 Associates	Key Management	Subsidiary	2018-19 Associates	Key Management
1	Sales of Finished Goods #	-	64,87,96,147	-	-	73,28,11,292	-
2	Purchase of Raw materials #	-	51,40,62,540	-	-	61,73,96,142	-
3	Remuneration	-	-	18,29,448	-	-	27,49,829
4	Interest paid	-	-	-	-	-	70,27,704
5	Lease Rent received		38,00,660			49,53,578	
6	Loan Received ##	-	-	2,24,63,000	-	3,27,00,000	-
7	Repayment of Loan (Ref. Note no. 14.1 (C))	-	1,67,64,377	-	-	4,33,47,962	-
8	Loan Payable	-	80,66,00,750	-	-	76,01,19,236	-
9	Trade Payable	-	55,99,62,494	-	-	61,68,99,432	-
10	Trade Receivable *	23,33,75,543	-	-	23,33,75,543	-	-

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 Mar.'2020, except ₹233,375,543 provided in respect of due by the Subsidiary Company in earlier year.

# Material/Goods sold to Natroyal Industries Pvt.Ltd. ₹648,796,147 (P.Y.₹732,811,292)

# Material Purchase from Natroyal Industries Pvt.Ltd. ₹514,062,540 (P.Y.₹617,396,142)

- 1 \*\*The High Court of Justice of U.K. made a winding -up order dated 11<sup>th</sup> June, 2001 against Euroroyal Floor Ltd and the official receiver has been appointed to liquidate the assets of ERF. Thereafter order dated 12/03/2002 was passed and Euroroyal Flor Ltd is dissolved. Further full provision has been made towards receivable of ₹23,33,75,543/- from Euroroyal Flor Ltd in earlier years.

## Annual Report 2019-2020

2 Ms.Nivedita Juvatkar (Company Secretary) was appointed on 18-04-2019.

### Note 32 - Contingent Liabilities

Particulars	(Amount in ₹)	
	As at 31-03-2020	As at 31-03-2019
Claims against the Company not acknowledged as debts	45,86,64,195	45,86,64,195
Liabilities disputed -appeals filed with respect to CEGATE, Mumbai:	21,05,053	21,05,053
Income tax on account of disallowances / additions	46,62,473	48,52,408
Excise duty on account of valuation / cenvat credit / service tax	9,98,783	9,98,783
Penalty Imposed by FERA & disputed by Company	1,00,00,000	1,00,00,000

### Note 33 - Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	2019-20	2018-19
a. Net Profit/(loss) after Tax available for equity shareholders (`)	(6,88,16,379)	4,40,09,981
b. Number of Equity Shares of ` 10/-each outstanding during the year (Nos. of Shares)	1,20,67,212	1,20,67,212
c. Basic/ Diluted Earnings Per Share (` a/b)	(5.70)	3.65

### Note 34 - Below is the table showing fair value of Investment Property

Investment Property:	31-03-2020	31-03-2019
i Amounts recognised in profit or loss for investment properties		
Rental income	38,00,660	49,53,578
Direct operating expenses from property that generated rental income		19,500
Depreciation	-1,85,795	-1,83,659
<b>Profit from Investment Property</b>	<b>36,14,865</b>	<b>47,89,419</b>
iii Fair value	3,85,71,900	3,85,71,900
Estimation of fair value: Method of Estimation		
We have used the prevailing market rate for the purposes of arriving at the fair value of land and buildings.		

**Note 35** 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 31.03.2020 are as under.

Sr.	a) Name of Partners	Share
i	Shri Jay Shah	46.25%
ii	Shri Vivek Motasha	46.25%
iii	M/s. Royal Cushion Vinyl Products Ltd.	7.50%
		<b>100.00%</b>

b) The total Capital of the Partners is ₹24,47,917 (net)

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

### Note 36 Leases

Effective 1st April, 2019, The company has elected the Modified retrospective method for first-time application of Ind AS 116, accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised.



## Annual Report 2019-2020

<b>a)</b>	<b>The following is the movement in lease liabilities</b>	<b>(Amount in ₹)</b>
		<b>31-03-2020</b>
	<b>Balance as on 1<sup>st</sup> April, 2019</b>	-
	Balance as at transition date	49,58,887
	Addition during the period	1,33,30,176
	Finance cost accrued during the period	15,55,503
	Payment of lease liabilities	(62,42,302)
	<b>Balance as on 31<sup>st</sup> March, 2020</b>	<b>1,36,02,264</b>
<b>b)</b>	<b>Maturity Analysis of Lease Liabilities</b>	<b>(Amount in ₹)</b>
		<b>31-03-2020</b>
	<b>Maturity Analysis - Contractual undiscounted Cash Flows</b>	
	Less than one year	57,89,622
	One to five years	1,04,02,800
	More than five years	-
	<b>Total Undiscounted Lease Liabilities</b>	<b>1,61,92,422</b>
	Discounting element	(25,90,158)
	<b>Total discounted liabilities</b>	<b>1,36,02,264</b>
	Lease Liabilities included in the Statement of Financial Position	
	Non Current	89,33,016
	Current	46,69,248
	<b>Total</b>	<b>1,36,02,264</b>
<b>c)</b>	<b>Amount Recognized in the Statement of Profit &amp; Loss</b>	<b>(Amount in ₹)</b>
		<b>31-03-2020</b>
	Interest on Lease Liabilities	15,55,503
	Expenses relating to short-term leases	2,85,570
	Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets.	-
	Depreciation on Lease Asset	53,69,629
<b>d)</b>	Consequently, for all leases (other than short-term leases and leases of low-value assets), a right-of-use asset was recognized on the balance sheet for an amount equal to the liability for future lease payments, adjusted by the amount of any prepaid or accrued lease payments.	

**Note 37** Disclosure pursuant to Section 22 of "The Micro, Small & Medium Enterprises Development Act, 2006" is as follows:

The Company has identified micro and small enterprises to whom the Company owes the dues which are outstanding as at the year end:

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
i) Principal amount remanining unpaid at the end of the year	85,76,805	66,23,833
ii) Interest accrued at the end of the year	-	-
iii) Interest remaining unpaid, out of above, as at the end of the year	-	-
iv) Further interest remaining due and payable even in the succeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

Note: This information has been determined to the extent such parties have been identified on ths basis of information available with the Company.

**Note 38** The Company has suffered substantial losses and due to this, the entire net worth has been eroded. However, operations are Continued and the accounts of the Company have been prepared on the basis that the Company is a going concern.

## Annual Report 2019-2020

- Note 39** The Ministry of Home Affairs vide order dated 24<sup>th</sup> March, 2020 notified first ever nationwide lockdown to contain the outbreak of Covid-19, Covid -19 has made drastic impact throughout the world and has also affected the Company. Due to the Pandemic and the subsequent complete and partial lockdowns, the business of the Company has been affected. The Company has managed to cope with the situation despite the challenges, however the impact assessment of COVID- 19 is a continuous process given the uncertainties associated with its nature and duration.
- Note 40** The Government of Gujarat has registered the Company as a viable sick unit and granted relief and concessions under the government resolution dated September 11, 2017. Further during the year, under this Scheme and resolution of Government of Gujarat, The Company has received State Goods & Service Tax of ₹874.83 lakh, which is revenue grant and same have been shown as Grant received and grouped under other income.
- Note 41** During the year Company has reviewed utilisation/productivity of various machinery and other equipments. The company found some of them are no more useful, hence written off / disposed and the Net loss of ₹ 198.42 lacs debited to Profit and Loss account.
- Note 42** **Income Tax Expenses**  
Due to losses in current year and substantial brought forward losses, there would not be taxable income in the near future. The deferred tax assets is recognised only to the extent of deferred tax liability.
- Note 43** Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.
- Note 44** 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 & 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 and principal etc.
- Note 45** Figures in brackets in the schedules and Notes pertain to previous year.

<b>Note 46 - CIF Value of Import</b>	<b>2019-20</b>	<b>2018-19</b>
	<b>Amount in ₹</b>	<b>Amount in ₹</b>
Raw Materials	14,32,423	23,18,905
Stores & Spares	-	54,10,030
	<u>14,32,423</u>	<u>77,28,935</u>

<b>Note 47 - Expenditure in foreign currency</b>	<b>2018-19</b>	<b>2017-18</b>
(on accrual basis)	<b>Amount in ₹</b>	<b>Amount in ₹</b>
Stores & Spares	-	48,73,835
Foreign Travel	39,473	8,31,424

- Note 48** The figures of previous year have been regrouped / reclassified / recast wherever necessary to compare with the current year's figures.

As per our report of even date  
For BIPIN & CO.  
Chartered Accountants  
Firm Reg. No. 101509W

Amit Shah  
(Partner)  
Membership No. 126337  
UDIN : 20126337AAAACH2675

Place : VADODARA  
Date : 30-07-2020

For ROYAL CUSHION VINYL PRODUCTS LIMITED

MAHESH K SHAH  
Chairman & Managing Director  
00054351

JAYESH A MOTASHA  
Director  
00054236

NIVEDITA JUVATKAR  
Company Secretary  
ACS48850  
Place : MUMBAI  
Date : 30-07-2020

**UPDATION OF SHAREHOLDER INFORMATION**

From :

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-----  
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To,

Universal Capital Securities Pvt. Ltd.  
C 101, 247 Park,  
LBS Road, Vikhroli West,  
Mumbai – 400083.  
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

<input type="checkbox"/>
<input type="checkbox"/>

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

## Annual Report 2019-2020

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### ROYAL CUSHION VINYL PRODUCTS LIMITED

Registered Office: 60 CD, Shlok, Govt. Industrial Estate, Charkop, Kandivali west, Mumbai – 400067

CIN:L24110MH1983PLC031395

#### REMINDER

URGENT AND IMPORTANT FOR YOUR IMMEDIATE ATTENTION  
PLEASE NOTE THAT THIS IS FOR ONLY PHYSICAL SHAREHOLDER(S)

Dear Shareholder(s),

#### Sub: - PAN Number and Bank Account Number

As per SEBI Circular No. SEBI/ HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018; PAN Number and Bank Account details are to be updated with the Company.

Please note that as per our records, you are holding shares in physical form, you are therefore requested to submit following documents;

- Self attested copy of the PAN Card(s) of sole/ joint holder(s)
- Original cancelled cheque leaf bearing name of the of sole/First holder

OR

Copy of the bank passbook containing Name, Account Number, IFSC Code, MICR Code of the sole/First holder duly attested by the Bank

You are requested to send the above documents along with enclosed response form duly signed by all the shareholders as per specimen signature registered with the Company within 21 days from the date of this letter to the Registrar and Share Transfer Agent on following address for updating the same in our records.

**Universal Capital Securities Pvt. Ltd.**

Unit : **ROYAL CUSHION VINYL PRODUCTS LIMITED**

C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083.

Contact Nos. (022) 49186178/79 Email: [info@unisec.in](mailto:info@unisec.in)

Keeping in view of Green Initiative of Ministry of Corporate Affairs Government of India (MCA), your company shall send the Annual Reports and other documents to its shareholders in electronic form at the e-mail address registered with the Company. You are therefore requested to provide your e-mail address alongwith Mobile number/Telephone number to receive all future correspondence of the Company in Electronic Form and become a part of it to save a tree.

Keeping in view if there is change in address then please reply to Company or Registrar and Share Transfer Agent.

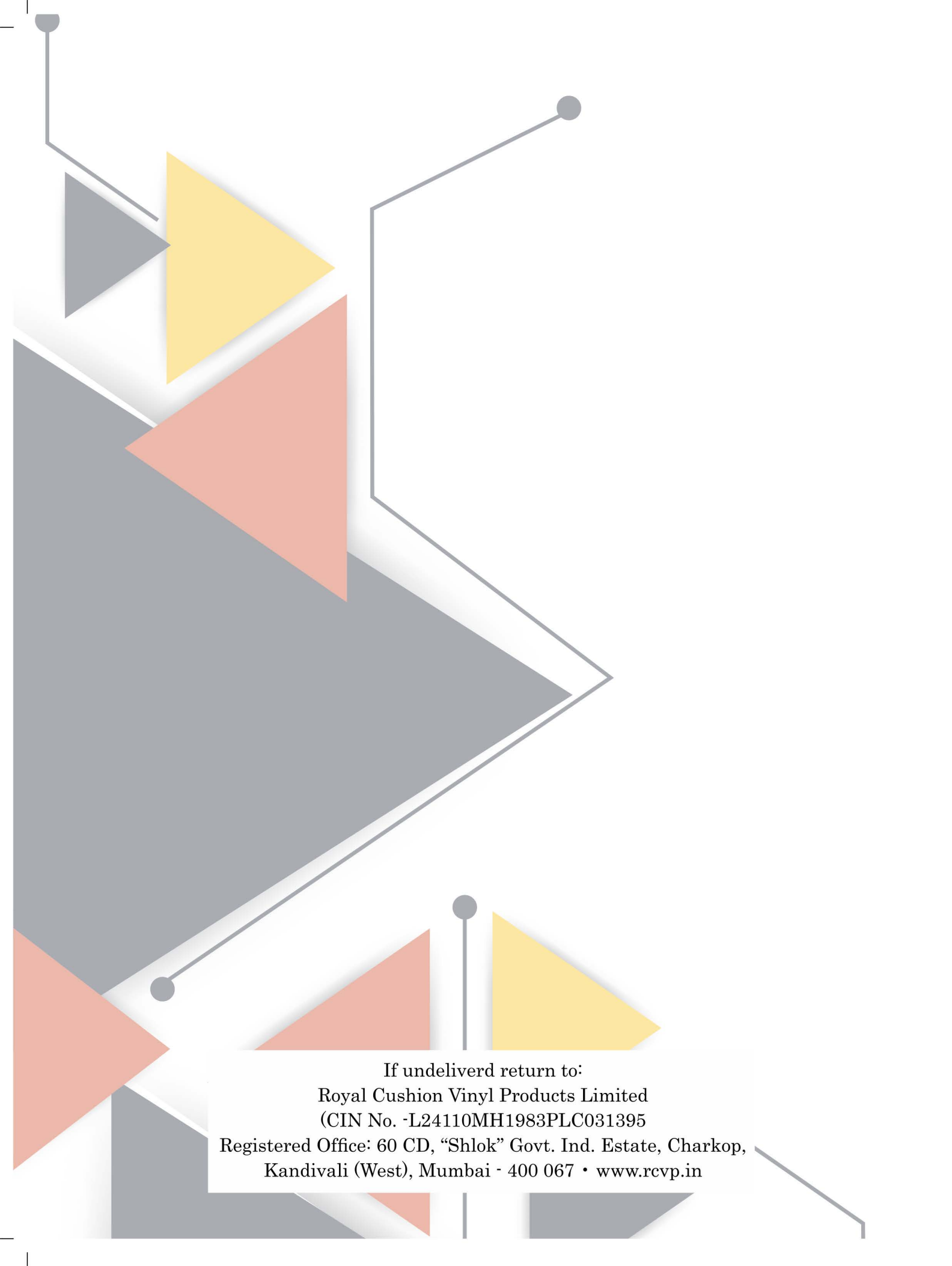
#### **IMPORTANT NOTE - CESSATION OF PHYSICAL TRANSFER OF SHARES**

As per amendment made by SEBI notification dated 8<sup>th</sup> June 2018 in the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, the transfer of shares shall be processed in the dematerialized form only. It means transfer request in physical mode is discontinued. These regulations shall come into force within 180 days from the date of notification i.e. w.e.f. 5<sup>th</sup> December 2018. In accordance to the said regulations and in your own interest, it is advisable that you should convert your physical shares into dematerialized form at the earliest.

For **ROYAL CUSHION VINYL PRODUCTS LIMITED**

**Mahesh Shah**  
**Managing Director**  
**00054351**





If undelivered return to:  
Royal Cushion Vinyl Products Limited  
(CIN No. -L24110MH1983PLC031395  
Registered Office: 60 CD, "Shlok" Govt. Ind. Estate, Charkop,  
Kandivali (West), Mumbai - 400 067 • [www.rcvp.in](http://www.rcvp.in)