



**ROYAL CUSHION VINYL PRODUCTS LIMITED**

**34th ANNUAL REPORT 2017-18**

## Annual Report 2017-2018

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### ROYAL CUSHION VINYL PRODUCTS LIMITED

(CIN No. - L24110MH1983PLC031395)

www.rcvp.in

#### BOARD OF DIRECTORS

Mr. Mahesh. K Shah	Chairman & Managing Director
Mr. Vinod K Shah	Whole time Director
Mr. Arvind V Motasha	Director
Mr. Deepak A Motasha	Director
Mr. Mukesh A Motasha	Director
Mr. Jayesh A Motasha	Director and Chief Financial Officer
Ms. Kavita Bachwani	Director

#### AUDITORS

M/s. Bipin & Co.  
Chartered Accountants  
304, Sumangal Chamber, Jamboo Bet,  
Dandia Bazar, Vadodara-390001.

#### REGISTERED OFFICE

60 CD, Shlok govt. Indus. Estate  
Charkop, Kandivali (West),  
Mumbai – 400 067  
Tel: 022 28603514/16  
Fax No.: 022 28603565

#### BANKS

Axis Bank Ltd

#### REGISTRAR & TRANSFER AGENTS

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

#### WORKS

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

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### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **34th ANNUAL GENERAL MEETING** of the Members of **ROYAL CUSHION VINYL PRODUCTS LIMITED** will be held on Friday, the 28th September, 2018 at 12.30 p.m. at the Conference Room, 2nd Floor, 60 CD "SHLOK", Govt. Industrial Estate, Charkop, Kandivali (West), Mumbai 400 067, 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, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Kavita Bachwani (DIN – 07239417) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Deepak Motasha (DIN – 00060092) who retires by rotation and being eligible, offers himself for re- appointment.

#### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to the provisions of section 180(1)(a), 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Meeting of Board and its Powers) Rules, 2014 as amended, the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations"), the provisions of the Memorandum and Articles of Association of the Company, and such other approvals, consent and permission being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / alter / mortgage / lease / dispose off its existing land admeasuring 39,558 sq. mtrs along with building admeasuring 6,607 sq. mtrs situated at 319 & 320 Baska, Halol, Gujarat held by the Company ("Undertaking"), with or without underlying liabilities, contracts, permissions and consents, rights, registrations, in relation to the Undertaking, on an "as is where is" basis or in any other manner either in whole or in part to Natroyal Industries Private Limited ("NIPL"), a related party of the Company or any person(s) and/or entity(ies) as may be determined by the Board for a consideration not less than Rs. 18 Crores (Rupees Eighteen Crores only) subject to certain adjustments in case of partial disposal, as agreed between the parties in terms of the definitive agreements as may be entered into between the Company and NIPL.

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

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

5. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of Regulation 23(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("LODR Regulations") and the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("the Act") read with the Rules made thereunder, the approval and ratification of the Company be and is hereby accorded, for availing / already availed the financial assistance from the Related Parties, the list of which is provided in explanatory statement annexed to this notice, as defined under Section 2(76) of the Act and regulation 2(zb) of the LODR Regulations."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the Related Party(ies), and

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make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution in the best interest of the Company.”

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

**Jayesh Motasha**  
**Director & CFO**  
00054236

Place:-Mumbai,  
Date: 29th August, 2018

### Registered Office:

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

### Notes :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- c. An Explanatory Statement under Section 102 of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- d. The Register of Members and Share Transfer books of the Company will remain closed from **Saturday 22<sup>nd</sup> September, 2018 to Friday, 28<sup>th</sup> September, 2018(both days inclusive)** for the purpose of Annual Book Closure.
- e. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.
- f. In case of Joint Holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
- g. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
- h. 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 their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to Universal Capital Securities Private Limited, Registrar and Share Transfer Agent of the Company.
- i. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the management to keep the information ready at the Meeting.
- j. Members holding shares in physical form are requested to notify any change in their address including pin code, bank mandate, etc to the Company's Registrar and Transfer Agent, **M/s. Universal Capital Securities Private Limited** (formerly known as Mondkar Computers

Private Limited). Members holding shares in electronic form are requested to furnish details for change/ updation to their respective Depository Participant.

k. Members holding shares in the dematerialize form are requested to register/update their e-mail address with the concerned Depository participant. Members holding shares in physical form are requested to register/update their e-mail address with the registrar and share transfer agents of the Company. Alternatively, Members may intimate the email address at **M/s. Universal Capital Securities Private Limited** (formerly known as Mondkar Computers Private Limited), Unit: Royal Cushion Vinyl Products Limited., **21, ShakhilNiwas, Mahakali Caves Road, Andheri (East), Mumbai 400 101. Tel No. 022 28257641, 022 28207203.**

l. Applicable listing fees for the financial year 2018-19 have been paid to BSE Ltd.

m. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, members whose ledger folios have incomplete details with respect to PAN and/or Bank particulars are mandatorily required to furnish these details to the Company/RTA for registration in the folio. The Company has sent separate communication to all the members whose aforesaid details were not updated. You are requested to kindly update your PAN and/or complete Bank details so that the investments held by you are in compliance with the aforementioned circular.

**n. VOTING THROUGH ELECTRONIC MEANS (E-VOTING):**

1. In accordance with applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 34th Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide remote e-voting facility to its members.

2. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut-off date September 21, 2018.

3. The voting period begins on Tuesday, the 25th day of September, 2018 at 9.00 a.m. and will end on Thursday, the 27th day of September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

4. Mrs. Padma Loya, of M/s. Loya & Associates., Practicing Company Secretaries (Membership No: 25349; COP No: 14972) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the remote e-voting process and voting cast by member through poll at Annual General Meeting in a fair and transparent manner.

5. A Members may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

6. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

7. The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Tuesday, the 25th day of September, 2018 at 9.00 a.m. and will end on Thursday, the 27th day of September, 2018 at 5.00 p.m.(both days inclusive). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) being 21st September, 2018 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on Shareholders-Login

(iv) Now Enter your User ID and password.

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSN) for the relevant **Royal Cushion Vinyl Products Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2018. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

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(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxi) In case of members receiving the physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:

- a) Please follow all steps from sl. no. [i] to sl. no. [xx] above, to cast vote.
- b) Mrs. Padma Loya, of M/s. Loya and Associates., Practicing Company Secretaries (Membership No. 25349, COP No. 14972) has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the remote e-voting process and voting cast by member through poll at Annual General Meeting in a fair and transparent manner.
- c) Members who do not have access to remote e-voting facility may send duly completed Ballot Form (sent along with the Notice) so as to reach the Scrutinizer appointed by the Board of Director of the Company, Mrs. Padma Loya, of M/s. Loya and Associates., Practicing Company Secretaries, C/o. Universal Capital Securities Pvt. Ltd. Unit: Royal Cushion Vinyl Products Limited, 21, Shakil Niwas, MahakaliCaves Road, Andheri [East], Mumbai – 400 093, not later than Thursday, September 27, 2018 (5.00 p.m.).

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

(xxii) The results of remote e-voting shall be declared by the Chairman on or after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.rcvp.in](http://www.rcvp.in) within three (3) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.

### PROFILE OF DIRECTORS 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.

<b>Particulars</b>	Ms. Kavita Bachwani	Mr. Deepak Motasha
<b>DIN</b>	07239417	00060092
<b>Date of Birth</b>	22/11/1964	11/04/1953
<b>Qualification &amp; Experience</b>	Bcom from Bombay University	Bcom from Bombay University
<b>Expertise in specific functional area</b>	She has vast and varied experience in Commercial and Finance Functions.	He has vast and varied experience in all functions of the Company including production, sales and marketing.
<b>Relationship with other Directors, Manager and Key Managerial Personnel of the Company</b>	Nil	Brother of Mr. Jayesh Motasha and Mr. Mukesh Motasha

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<b>Directorship held in other companies</b>	No	No
<b>Membership / Chairmanships of Committees of other India Companies</b>	She is a member in Audit Committee	He is the Chairman in Audit Committee and member in Nomination and Remuneration Committee and Stakeholder Relationship Committee
<b>No. of Shares held in the Company as in 31st March, 2018</b>	NIL	26701
<b>Date of appointment on the Board</b>	30/06/2015	21/09/2004
<b>Number of meetings of the Board attended during the financial year 2017-18</b>	5	5

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

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under Item Nos. 4 of the accompanying Notice.

#### Item No. 4:

In line with the strategic directions outlined by the Board of Directors ("the Board") of the Company, the Board at its meeting held on 29/08/2018 approved the sale of the existing land and buildings by way of sale/transfer/lease etc. as may be deem fit by the Board of Company to Natroyal Industries Private Limited, a related party of the Company ("Transferee") or any other person(s) or entity(ies) which may be in interest of the Company.

Under the aforesaid circumstances, with an objective to improve the financial health and long term viability of the Company's business by reduction of debt, pursuant to the recommendation of the audit committee, the board of directors at its meeting held on 29/08/2018 approved the sale / transfer / alter / mortgage / lease / dispose off its existing land admeasuring 39558 sq. mtrs along with building admeasuring 6,607 sq. mtrs situated at 319 & 320 Baska, Halol, Gujarat held by the Company ("Undertaking"), , with or without underlying liabilities, contracts, permissions and consents, rights, registrations, in relation to the Undertaking, on an "as is where is" basis or in any other manner either in whole or in part to Natroyal Industries Private Limited (NIPL), a related party of the Company or any person(s) and/or entity(ies) as may be determined by the Board for a consideration not less than Rs. 18 Crores (Rupees Eighteen crores only) subject to certain adjustments in case of partial disposal, as agreed between the parties in terms of the definitive agreements as may be entered into between the Company and NIPL.

At this location, the Company was having printing line facility and the same is now shifted to main plant at Garadia and currently there is no manufacturing activity at Baska location. Hence the sale of Land & Building of Baska location will not have any adverse impact on production of the Company.

As per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company, only with the consent of the Company by as Special Resolution. As per explanation to section 180(1)(a) of the Companies Act, 2013 ("Act"), since the investment in land and buildings exceeds twenty percent of the net worth (being negative) of the Company during the previous financial year ended March 31, 2018, consent of the members would be required by way of a Special Resolution to sale and transfer the said land and building.

As per Section 188(1) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules') and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR)'], transaction entered into between related parties for selling or otherwise disposing of property of any kind exceeding the threshold limit mentioned in the 'Rule' and 'SEBI (LODR)' to be approved by the members of the Company by way of an Ordinary Resolution. However, the Company is proposing to obtain approval of members by way of Special resolution. As per Rule 15(3)(a)(ii) of the Companies (Meetings of Board and its Powers) Rules, 2014, since the amount for agreement for selling or disposing of the land and building exceeds 10% of net worth of the Company, consent of the members would be required by way of an Ordinary Resolution to enter into the agreement for sale and transfer of the said land and building to Natroyal Industries Private Limited, a related party.

Since the transaction of sale of Co-generation business to related Party is outside the ordinary course of business, the approval of the members of the Company under section 188 of the Act is being sought by way of an Ordinary Resolution as set out at item no. 4 for the business transfer transaction.

Additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:-



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- a) Name of the related party: Natroyal Industries Private Limited (NIPL).
- b) Name of the director or key managerial personnel who is related, if any:
- Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Mukesh Motasha, Mr. Jayesh Motasha, Mr. Deepak Motasha, Mr. Arvind Motasha and their relatives are members in Natroyal Industries Private Limited.
  - The relatives of Mr. Mahesh Shah and Mr. Mukesh Motasha are Directors in Natroyal Industries Private Limited.
- c) Nature of relationship: NIPL is a Group Company and relative of Directors are on the Board of NIPL.
- d) Nature, material terms, monetary value and particulars of the contract or arrangement: Sale / transfer / alter / mortgage / lease / dispose off its existing land admeasuring 39558 sq. mtrs along with building admeasuring 6,607 sq. mtrs situated at 319 & 320 Baska, Halol, Gujarat held by the Company ("Undertaking"), with or without underlying liabilities, contracts, permissions and consents, rights, registrations, in relation to the Undertaking, on an "as is where is" basis or in any other manner either in whole or in part to Natroyal Industries Private Limited (NIPL), a related party of the Company or any person(s) and/or entity(ies) as may be determined by the Board for a consideration not less than Rs. 18 Crores (Rupees Eighteen Crores only) subject to certain adjustments in case of partial disposal, as agreed between the parties in terms of the definitive agreements as may be entered into between the Company and NIPL.
- e) Any other information relevant or important for the members to take a decision on the proposed resolution: All important information forms part of the Statement setting out Material Facts pursuant to Section 102(1) of the Companies Act, 2013 which have been mentioned in the foregoing paragraphs.

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition "Related Party" shall abstain from voting in respect of the resolution proposed at item no. 4 of the notice, irrespective of whether the entity is a party to the particular transaction or not.

The Board of Directors recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

As on date of proposing these resolution, Mr. Rahul Mukesh Motasha and Mr. Suvrat Mahesh Shah are the Directors in NIPL. Accordingly, being a relative of Directors in NIPL and being a member in NIPL, Mr. Mukesh Motasha and Mr. Mahesh Kantilal Shah and being a member in NIPL, Mr. Jayesh Motasha, Mr. Vinod Kantilal Shah, Mr. Deepak Motasha, Mr. Arvind Vadilal Motasha and/or their relatives may be deemed to be concerned or interested in the resolution at item no. 4 of the notice, directly or indirectly to the extent of respective shareholding in the Company. Except as above, none of the directors and/or key managerial personnel of the Company and/or their relatives are concerned or interested in these resolutions.

### Item No. 5:

As the Company requires the financial assistance from time to time to carrying out its manufacturing activities to utilize its existing available manufacturing capacity; therefore the Company avails from time to time the financial assistance from the entities which may be the related parties of the Company for which the approval of members required as per the provisions of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of Companies Act, 2013.

The brief terms and conditions and other particulars of the above transaction are as follows:

Name of Related Party(ies)	As mentioned in below table.
Name of the Director or Key Managerial Personnel who is related, if any	As mentioned in below table.
Nature of Relationship	As mentioned in below table.
Material terms of the contracts / arrangements / transactions	Availing or already availed financial assistance from the Related Parties.
Monetary Value / Consideration	Maximum outstanding financial assistance upto INR 100 crores including the existing outstanding financial assistance already availed.
Other relevant information	Interest rate on such financial assistance will not be exceeding 15% per annum and as per prevailing rate in the market and repayment of principal as may be decided between the parties.

The details of financial assistance availed and to be availed from the related parties are as follows:

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Sr. No.	Name of Related Party	Name of the Director or Key Managerial Personnel who is related, if any	Nature of relationship with Related party	Existing financial assistance availed (A) (Rs. in lakhs)	Proposed financial assistance to be availed (B) (Rs. in lakhs)	Total financial assistance (C)= (A)+(B) (Rs. in lakhs)
1	**SHREEDAHA TRADING &CONSULTANCYSERVICES LLP	Mr. Mukesh Motasha Mr. Mahesh Shah Mr. Vinod Shah Mr. Jayesh Motasha Mr. Arvind Motasha Mr. Deepak Motasha	1. Mr. Mukesh Motasha and Mr. Deepak Motasha and his relative are Designated partners / partners in Related Party. 2. Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Jayesh Motasha, and Mr. Arvind Motasha are acting as nominee of partners in Related Party.	4.81	1500.00	
2	**TRILOKESH TRADING & CONSULTANCY SERVICES LLP	Mr. Mahesh Shah & Mr. Vinod Shah	Mr. Mahesh Shah and Mr. Vinod Shah relatives are partners/ Designated partners in Related party.	287.13		
3	*SHREESHAHA TRADING & CONSULTANCY SERVICES LLP	Mr. Mahesh Shah & Mr. Vinod Shah	Mr. Mahesh Shah and Mr. Vinod Shah relatives are partners/ Designated partners in Related party.	563.88		
4	**VISHVAMURTHY TRADING & CONSULTANCY SERVICES LLP	Mr. Arvind Motasha	Mr. Arvind Motasha and his relatives are Designated partners in Related party.	36.75		
5	**LOKSWAMI TRADING & CONSULTANCY SERVICES LLP	Mr. Arvind Motasha Mr. Mahesh Shah Mr. Vinod Shah Mr. Jayesh Motasha Mr. Deepak Motasha	1. Mr. Arvind Motasha and his relative are Designated partners in Related Party. 2. Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Jayesh Motasha and Mr. Deepak Motasha or their relatives are acting as nominee of partners in Related Party.	103.25		
6	**BHAKTAVATSALA TRADING & CONSULTANCY SERVICES LLP	Mr. Mahesh Shah Mr. Vinod Shah Mr. Arvind Motasha Mr. Deepak Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha	1. Mr. Mahesh Shah and his relative are Designated partners in Related Party. 2. Mr. Vinod Shah, Mr. Arvind Motasha, Mr. Deepak Motasha, Mr. Mukesh Motasha, Mr. Jayesh Motasha or their relatives acting as nominee of partners in Related Party	192.06		
7	**SAHISHNU TRADING & CONSULTANCY SERVICES LLP	Mr. Deepak Motasha Mr. Mahesh Shah	1. Mr. Deepak Motasha and his relative are Designated partners in Related Party.	15.15		

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		Mr. Vinod Shah Mr. Arvind Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha	2. Mr. Mahesh Shah Mr. Vinod Shah Mr. Arvind Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha or their relatives acting as nominee of partners in Related Party.			
8	**TRILOKATMA TRADING & CONSULTANCY SERVICES LLP	Mr. Vinod Shah Mr. Mahesh Shah Mr. Arvind Motasha Mr. Deepak Motasha Mr. Mukesh Motasha Mr. Jayesh Motasha	1. Mr. Vinod Shah and his relative are Designated partners in Related Party. 2. Mr. Mahesh Shah, Mr. Arvind Motasha, Mr. Deepak Motasha, Mr. Mukesh Motasha and Mr. Jayesh Motasha or their relatives acting as nominee of partners in Related Party.	274.58		
9	**SUMUKH TRADING & CONSULTANCY SERVICES LLP	Mr. Mukesh Motasha, Mr. Jayesh Motasha, Mr. Deepak Motasha, Mr. Arvind Motasha	1. Mr. Mukesh Motasha and Mr. Jayesh Motasha relatives are Designated partners / partners in Related Party. 2. Mr. Deepak Motasha relative are partners in Related Party. 3. Mr. Arvind Motasha acting as nominee of partner in Related Party.	248.17		
10	**SUGHOSH TRADING & CONSULTANCY SERVICES LLP	Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Arvind Motasha, Mr. Jayesh Motasha, Mr. Mukesh Motasha, Mr. Deepak Motasha	Mr. Jayesh Motasha and his relative are Designated Partner/Partner, and 2. Mr. Mahesh Shah, Mr. Arvind Motasha, Mr. Deepak Motasha, Mr. Mukesh Motasha and Mr. Vinod Shah or their relatives acting as nominee of partners in Related Party.	13.70		
11	DEEPAK MOTASHA	Director	Director	0.00		
12	ARVIND MOTASHA	Director	Director	10.10		
13	VINOD K SHAH	Director	Director	334.75		
14	JAYESH MOTASHA	Director	Director	6.62		
15	MAHESH SHAH	Director	Director	276.53		
16	MUKESH MOTASHA	Director	Director	12.67		
17	NATROYAL INDUSTRIES PRIVATE LIMITED	Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Mukesh Motasha,	1. Mr. Mahesh Shah, Mr. Vinod Shah, Mr. Mukesh Motasha, Mr. Jayesh Motasha, Mr. Deepak Motasha,	5728.87		

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		Mr. Jayesh Motasha, Mr. Deepak Motasha, Mr. Arvind Motasha.	Mr. Arvind Motasha and their relatives are members in Natroyal Industries Private Limited. 2. The relatives of Mr. Mahesh Shah and Mr. Mukesh Motasha are Directors in Natroyal Industries Private Limited.			
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\*\* These are promoters group entities which has provided funding support as and when required by Company.

Pursuant to the applicable provisions of the Companies Act, 2013 and the 23(4) of the SEBI (LODR) Regulations and considering above, Mr. Mahesh Shah - Chairman and Managing Director, Mr. Vinod Shah - Whole-time Director, Mr. Jayesh Motasha - Director and Chief Financial Officer, Mr. Mukesh Motasha - Director, Mr. Deepak Motasha - Director, Mr. Arvind Motasha - Director and their relatives are deemed to be interested in the transaction to the extent of their shareholding as per their concern or interest mentioned above.

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

Members are hereby informed that pursuant to the regulations 23(4) of SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015, all the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

The Board of Directors recommends the resolution as set out in the accompanying Notice for the approval of members of the Company as an Ordinary Resolution.

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

**Jayesh Motasha**  
Director & CFO  
00054236

**Place: Mumbai**

**Date: 29th August, 2018**

**Registered Office :**

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

## Annual Report 2017-2018

### DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the 34th Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2018.

#### 1) Financial Results

(Rs. In Lakhs)

Particulars	Current year ended 31.03.2018	Previous year Ended 31.03.2017
Revenue from operations (Net)	7330.55	7195.84
Other Income	837.54	1197.80
Less: Excise Duty	161.90	577.74
<b>Net Income</b>	<b>8006.20</b>	<b>7815.90</b>
Total Expenditure	8142.05	7514.79
<b>Profit / (loss) before interest and depreciation</b>	<b>(135.86)</b>	<b>301.11</b>
Finance Cost	425.72	454.08
Depreciation	137.46	132.45
Prior year's expenses	0	0
<b>Profit/(Loss) before Exceptional item</b>	<b>(699.03)</b>	<b>(285.42)</b>
Exceptional item	51.36	(13.68)
<b>Profit/(Loss) for the year</b>	<b>(647.67)</b>	<b>(299.10)</b>

#### 2) Performance of operations and the state of Company's Affairs

The Company has achieved Net turnover of Rs. 8006.20 Lakhs as against Rs. 7815.90 Lakhs in the previous year. The Company incurred a Net Loss of Rs. 647.67 Lakhs as compared to previous year's Net Loss of Rs.299.10 Lakhs.

#### 3) Dividend

In view of losses, the Board of Directors is unable to declare any dividend for the year 2017-2018.

#### 4) Status With BIFR/NCLT

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Hon'ble BIFR had circulated the revised DRS vide its order dated 11.06.2015, for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. The last hearing before Hon'ble BIFR was held on 22.11.2016. However, in the meantime, 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. In terms of provisions of IBC, the said proceedings will be governed by the provisions of the newly notified IBC law. The Company had filed an application for initiation of Corporate Insolvency Resolution Process 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.

#### 5) Management Discussion and Analysis Report

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

#### 6) 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.

### 7) Corporate Social Responsibility

The Companies Act, 2013 mandates that every Company, who meet certain eligibility criteria needs to spend atleast 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.

### 8) 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.

### 9) Personnel

Employee relations remained harmonious and satisfactory during the year and your Board would like to place on record their sincere appreciation for sustained efforts and valued contribution made by all the employees of the Company.

### 10) Particulars of Loans, Guarantees and Investments under section 186

Details of Loans, Guarantees and Investments are given in the Notes to Financial Statements.

### 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 the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

### 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 “B”.

### 13) Particulars of Employees

In terms of the provisions of Section 197(12) of the Act 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.

### 14) Directors

Ms. Kavita Bachwani (DIN No. - 07239417), Director and Mr. Deepak Motasha (Din No. -00060092), Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their reappointment. (Details are furnished under Notice).

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme (“DRS”) containing proposals for revival of the Company with the erstwhile Hon’ble Board for Industrial and Financial Reconstruction (“BIFR”). The Hon’ble BIFR had circulated the revised DRS vide it’s order dated 11.06.2015, for consideration of the concerned parties and other related proceedings were pending before the Hon’ble BIFR at an advanced stage of final approval. The last hearing before Hon’ble BIFR was held on 22.11.2016. However, in the meantime, 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. In terms of provisions of IBC, the said proceedings will be governed by the provisions of the newly notified IBC law. Due to this the management was unable to attract and induct any Independent Director. Hence no statement on declaration of independence was received by the Company.

## Annual Report 2017-2018

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### 15) Key Managerial Personnel

The Company has Mr. Mahesh Shah, Chairman & Managing Director and Mr. Jayesh Motasha, Director and Chief Financial Officer (CFO) as Key Managerial Personnel and the Company has published advertisement for appointing Company Secretary 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 Company Secretary.

### 16) Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (3) c 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 31st March, 2018 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.

### 17) Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2018 and August 23, 2018 (date of the Report).

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2018) and the date of the Report (August 23, 2018).

### 18) 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 were no material changes have taken place that could have an impact on the financial position of the Company from the date of closure of financial year under review till the date of signing of Accounts.

### 19) Adoption of Indian Accounting Standards

The Company adopted the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year have had to be restated to conform to the provisions of IndAS. The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 has been provided under Note 35 to the Financial Statements.

### 20) Details of Subsidiaries/Joint venture/Associate Company;

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2017-18.

### 21) 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 weakness in the design or operation were observed.

### 22) Auditors' Remarks & Appointment

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 held on 26th September 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company. The members are requested to appoint the auditors and authorize the Board to fix their remuneration.

#### **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.

### 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 2017-18 in respect of its polymers products. However, in terms of the said Rules, the requirement of cost audit is not applicable to the Company for the financial year 2017-18 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 and Auditor Remarks:

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, of M/s. Loya and Associates Practicing Company Secretaries (Membership no. 25349, Certificate of Practice No. 14972 ) to conduct Secretarial Audit of the Company for the financial year 2017-2018.

#### **The Secretarial Auditors has following remarks:-**

It is observed that as per Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, necessitated that every listed company should have a mandatorily Company Secretary in whole time employment but company has not complied till date and Company is in process of appointing a Company Secretary.

As Company has given advertisement in the newspapers for the post of Company Secretary but could not able to find a suitable candidate for the post of Company Secretary.

It is observed that as per section 149 (5) of the Companies Act, 2013, & as per Regulation 36 (3) of SEBI, LODR, necessitated that every listed company has to mandatorily appoint on board independent director but company has not complied till date.

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Hon'ble BIFR had circulated the revised DRS vide it's order dated 11.06.2015, for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. The last hearing before Hon'ble BIFR was held on 22.11.2016. However, in the meantime, 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. In terms of provisions of IBC, the said proceedings will be governed by the provisions of the newly notified IBC law. The Company had filed an application for initiation of Corporate Insolvency Resolution Process 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., the management was unable to attract and induct Professional and Independent Directors to meet the requirements of Regulation 36(3) of SEBI LODR. This fact has been reported to the Bombay Stock Exchange from time to time.

It is observed that as per the management representation letter given by the company that they have already submitted delisting application to Ahmedabad stock exchange and Vadodara stock exchange in the year 2006 & the same matter is pending with both the exchanges.

The Secretarial Audit Report for the financial year 2017-2018 is annexed herewith as Annexure "C" which forms part of the Board's report.



## Annual Report 2017-2018

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### 25) Listing with Stock Exchange:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-2018 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 "D".

### 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) Board of Directors Meeting:

During the financial year ended 31st March, 2018, the Company held five (05) 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 30th May, 2017, 22nd August, 2017, 11th September, 2017, 14th December, 2017 and 14th February, 2018. The details of the Board Meetings are provided in the Corporate Governance Report.

### 30) Committees of Board

Following are the various Committees formed by Board:

- 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.

### 31) 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 also 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 Chairman of the Audit Committee and the Chairman 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).

### 32) 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.

### 33) 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 constituted Internal Complaints Committee as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 to consider and redress complaints of sexual harassment. The Committee has not received any complaints of sexual harassment during the year.

### 34) Corporate Governance Certificate:

Your Company believes that Corporate Governance is the basis of stakeholder satisfaction. The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Governance Requirements as set out by SEBI. Your Company has obtained a certificate from M/s. Bipin & Co., Chartered Accountants, Statutory Auditors, on compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule V of the listing Regulation. The report of Corporate Governance along with certificate from the auditors of the Company regarding compliance of conditions of corporate governance is enclosed in this report.

### 35) Performance Evaluation of Board and Independent Directors.

Pursuant to the applicable provisions of the Companies Act, 2013, Listing Agreement and LODR Regulations, the Board has carried out the annual performance evaluation. The Board has evaluated performance of all the Directors and expressed its satisfaction. Evaluation procedure covered Board's functioning such as adequacy of the size and composition of the Board and its Committees to ensure diversity and adequate skills in the best interest of the Company as a whole. The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, since 2002. Due to this the management was unable to attract and induct any Independent Director, to meet the requirements of the Listing agreement and LODR Regulations. So there is only evaluation of Board and not Independent Directors.

### 36) Familiarisation Programme for Directors

A well informed familiarised 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.

### 37) Acknowledgement

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

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

**Deepak Motasha**  
Director  
(DIN 00060092)

**Jayesh A. Motasha**  
Director & CFO  
(DIN 00054236)

Place: Mumbai  
Date: 29th August, 2018

### ANNEXURE: "A"

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

##### 1) CONSERVATION OF ENERGY

- a. Energy Conservation Measure Taken: Continuous efforts are being made by the production team for conservation of energy. Heating time for trials, testing etc., is strictly monitored and certain savings are generated, but total impact of this cannot be measured.
- b. Air Compressor: Optimization of compressed air generation as well as compressed air utilization along with technical improvements resulted into better productivity at lower cost.
- c. LED Street lights introduced in place of sodium vapor lamps fittings leading to savings in replacement cost as well as power consumption.

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

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

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

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

###### ii) Future Plans

The Company is working on development of various new products.

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

(Rs. in Lacs)

Sr. No.	Particulars	Current year ended on 31.03.2018	Current year ended on 31.03.2017
1	Fob Value of Export	Nil	Nil
2	Foreign exchange outgo:		
	Import of Raw material	886.11	1531.41
	Stores & Spares	32.36	72.10
	Foreign Travels	8.81	15.15

ANNEXURE: "B"

**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 Directors for the financial year;

Sr. No	Name	Designation	Remuneration paid for FY 2017-18	Remuneration paid for FY 2016-17	% increase in remuneration in the FY 2017-18	Ratio/ Times per median of employee remuneration
1.	Mahesh Shah	Chairman & Managing Director	842050	788724	6.34%	4.30:1
2.	Vinod Shah	Whole Time Director	841050	700350	16.73%	4.29:1
3.	Kavita Bachwani	Director	903216	797076	11.75%	4.61:1

- ii) Percentage increase in median remuneration

Median remuneration of employees in FY 2017-18 in Rs.	Median remuneration of employees in F-Y 2016-17 in Rs.	Percentage increase/(decrease)
195978	186,540	5.06%

- iii) No. of permanent employees as on 31.03.2018 : 184

- 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 2017-18	Percentile increase in managerial personnel remuneration in FY 2017-18	Justification
11.21%	11.30%	-

- 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.

**ANNEXURE "C"  
FORM MR-3**

**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 31st MARCH, 2018**

To  
The Members of  
**M/s. ROAL 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 1st April, 2017 and ended 31st March, 2018, 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 31st March, 2018, 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;
- 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

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- (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:

\*\*It is observed that as per Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, necessitated that every listed company has to mandatorily have a Company Secretary in whole time employment but company has not complied till date but Company is in process of appointing a Company Secretary.

\*\*It is observed that as per section 149 (5) of the Companies Act 2013 & as per clause 49 of listing agreement, necessitated that every listed company has to mandatorily appoint on board an Independent director, but company has not complied with the same till date .

\*\* The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Hon'ble BIFR had circulated the revised DRS vide its order dated 11.06.2015, for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. The last hearing before Hon'ble BIFR was held on 22.11.2016. However, in the meantime, 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. In terms of provisions of IBC, the said proceedings will be governed by the provisions of the newly notified IBC law. The Company had filed an application for initiation of Corporate Insolvency Resolution Process 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.

\*\*It is also observed that as per the management representation letter given by the company that they have already submitted delisting application to Ahmedabad stock exchange and Vadodara stock exchange in the year 2002 & the same matter is pending with both the exchanges.

### I further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors but there are no Independent Directors appointed on Board. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.
- (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.

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**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.

**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: Vadodara  
Date: 29-08-2018

**CS PADMA LOYA**  
Proprietor  
M. No. 25349 COP. 14972

\*\*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. ROAL 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: Vadodara  
Date: 29-08-2018

**CS PADMA LOYA**  
Proprietor  
M. No. 25349 COP. 14972



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### Annexure: "D"

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

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

#### 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.	PVC Floor Covering	39181090	100%

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

The Company has no subsidiaries/Joint venture/Associate Company incorporated or ceased in the year 2017-18.

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

##### i) Category- wise Share Holding

Sr. No.	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)	<b>Promoters</b>									
1	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	393678	2300	395978	3.28	393678	2300	395978	3.28	0.00
(b)	Central Govt(s)	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	3580190	564060	4144250	34.34	4137290	564060	4701350	38.96	4.62
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Others(Specify)									
(e-i)										
(e-ii)										

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	<b>Sub Total(A)(1)</b>	<b>3973868</b>	<b>566360</b>	<b>4540228</b>	<b>37.62</b>	<b>4530968</b>	<b>566360</b>	<b>5097328</b>	<b>42.24</b>	<b>4.62</b>
2	<b>Foreign</b>									
a	NRIs - Individuals			-	-			-	-	-
b	Other Individuals			-	-			-	-	-
c	Bodies Corporate	0.00	2880000	2880000	23.87	0.00	2880000	2880000	23.87	0.00
d	Banks / FI			-	-			-	-	-
e	Any Others(Specify)									
e-i										
e-ii										
	<b>Sub Total(A)(2)</b>	<b>-</b>	<b>2880000</b>	<b>2880000</b>	<b>23.87</b>	<b>-</b>	<b>2880000</b>	<b>2880000</b>	<b>23.87</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>3973868</b>	<b>3446360</b>	<b>7420228</b>	<b>61.49</b>	<b>4530968</b>	<b>3446360</b>	<b>7977328</b>	<b>66.11</b>	<b>4.62</b>
<b>(B)</b>	<b>Public shareholding</b>									
1	Institutions									
(a)	Mutual Funds	-	5300	5300	0.04	-	5300	5300	0.04	-
(b)	Banks / FI	1236689	1730	1238419	10.26	679589	1730	681319	5.65	4.62
(c)	Central Govt(s)			-	-		-	-	-	-
(d)	State Govt(s)			-	-		-	-	-	-
(e)	Venture Capital Funds			-	-		-	-	-	-
(f)	Insurance Companies			-	-		-	-	-	-
(g)	FIs	-	-	-	-		-	-	-	-
(h)	Foreign Venture Capital Funds			-	-		-	-	-	-
(i)	Any Other (specify)									
(i-ii)										
(i-ii)										
	<b>Sub-Total (B)(1)</b>	<b>1236689</b>	<b>7030</b>	<b>1243719</b>	<b>10.31</b>	<b>679589</b>	<b>7030</b>	<b>686619</b>	<b>5.69</b>	<b>4.62</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate									
(i)	Indian	382076	19220	401296	3.33	255508	19220	274728	2.28	1.05
(ii)	Overseas			-	-			-	-	-
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	1036505	316255	1352760	11.21	1006374	313255	1319629	10.94	0.27
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1565404	-	1565404	12.97	1642398	-	1642398	13.61	0.64
(c)	Others (specify)									
(i)	Clearing Members	36271	-	36271	0.30	119076	-	119076	0.99	0.69
(ii)	Trusts			-	-			-	-	-
(iii)	NRI / OCBs	2550	44850	47400	0.39	2450	44850	47300	0.39	-
(iv)	Foreign Nationals	134	-	134	-	134	-	134	-	-
(v)	Foreign Corporate Body			-	-			-	-	-
	<b>Sub-Total (B)(2)</b>	<b>3022940</b>	<b>380325</b>	<b>3403265</b>	<b>28.20</b>	<b>3025940</b>	<b>377325</b>	<b>3403265</b>	<b>28.20</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4259629</b>	<b>387355</b>	<b>4646984</b>	<b>38.51</b>	<b>3705529</b>	<b>384355</b>	<b>4089884</b>	<b>33.89</b>	<b>4.62</b>
	<b>TOTAL (A)+(B)</b>	<b>8233497</b>	<b>3833715</b>	<b>12067212</b>	<b>100.00</b>	<b>8236497</b>	<b>3830715</b>	<b>12067212</b>	<b>100.00</b>	<b>-</b>
<b>(C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>								-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>8233497</b>	<b>3833715</b>	<b>12067212</b>	<b>100.00</b>	<b>8236497</b>	<b>3830715</b>	<b>12067212</b>	<b>100.00</b>	<b>-</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 MOTASHA	26701	0.22	0.00	26701	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	JAYASHREE M SHAH	400	0.00	0.00	400	0.00	0.00	0.00
9	JAYESH A MOTASHA	26800	0.22	0.00	26800	0.22	0.00	0.00
10	MAHESH KANTILAL SHAH	39150	0.32	0.00	39150	0.32	0.00	0.00
11	MEENA VINOD SHAH	69000	0.57	0.00	69000	0.57	0.00	0.00
12	MUKESH AMRUTLAL MOTASHA	25701	0.21	0.00	25701	0.21	0.00	0.00
13	ROHINI MAHESH SHAH	500	0.00	0.00	500	0.00	0.00	0.00
14	SUSHILABEN K SHAH	18550	0.15	0.00	18550	0.15	0.00	0.00
15	SUVRAT MAHESH SHAH	12300	0.10	0.00	12300	0.10	0.00	0.00
16	SWETA DEEPAK MOTASHA	300	0.00	0.00	300	0.00	0.00	0.00
17	VARUN JAYESH MOTASHA	19800	0.16	0.00	19800	0.16	0.00	0.00
18	VINOD KANTILAL SHAH	41400	0.34	0.00	41400	0.34	0.00	0.00
19	BHAKTAVATSALA TRADING & CON SER LLP	890360	7.38	73.98	1035210	8.58	37.62	1.20
20	LOKSWAMI TRADING & CON SER LLP	345300	2.86	74.85	403150	3.34	0.00	0.48
21	SAHISHNU TRADING & CON SER LLP	639490	5.30	88.27	709340	5.88	5.83	0.58
22	SHREEDAHA TRADING & CON SER LLP	639450	5.30	60.09	709300	5.88	5.84	0.58
23	SHREESHAHA TRADING & CON SER LLP	300	0.00	0.00	300	0.00	0.00	0.00
24	SUGHOSH TRADING & CON SER LLP	639460	5.30	60.09	709310	5.88	5.82	0.58
25	SUHRUDA TRADING & CON SER LLP	300	0.00	0.00	300	0.00	0.00	0.00
26	SUMUKH TRADING & CON SER LLP	44970	0.37	0.00	44970	0.37	0.00	0.00
27	TRILOKATMA TRADING & CON SER LLP	890360	7.38	74.91	1035210	8.58	4.83	1.20
28	TRILOKESH TRADING & CON SER LLP	45690	0.38	0.00	45690	0.38	0.00	0.00
29	VISHVAMURTI TRADING & CON SER LLP	8570	0.07	0.00	8570	0.07	0.00	0.00
30	LAPADA (MAURITIUS) LIMITED	2880000	23.87	0.00	2880000	23.87	0.00	0.00
	<b>Total</b>	<b>7420228</b>	<b>61.49</b>	<b>39.31</b>	<b>7977328</b>	<b>66.11</b>	<b>7.06</b>	<b>4.62</b>

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

Sr. 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	26701	0.22	26701	0.22
6	DIPTI JAYESH MOTASHA	1051	0.01	1051	0.01
7	HANSA ARVIND MOTASHA	27600	0.23	27600	0.23
8	JAYASHREE M SHAH	400	0.00	400	0.00
9	JAYESH A MOTASHA	26800	0.22	26800	0.22
10	MAHESH KANTILAL SHAH	39150	0.32	39150	0.32
11	MEENA VINOD SHAH	69000	0.57	69000	0.57
12	MUKESH AMRUTLAL MOTASHA	25701	0.21	25701	0.21

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Sr. 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
13	ROHINI MAHESH SHAH	500	0.00	500	0.00
14	SUSHILABEN K SHAH	18550	0.15	18550	0.15
15	SUVRAT MAHESH SHAH	12300	0.10	12300	0.10
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	890360	7.38		
	24-11-2017 Transfer	144850	1.20	1035210	8.58
20	LOKSWAMI TRADING & CON SER LLP	345300	2.86		
	24-11-2017 Transfer	57850	0.48	403150	3.34
21	SAHISHNU TRADING & CON SER LLP	639490	5.30		
	24-11-2017 Transfer	69850	0.58	709340	5.88
22	SHREEDAHA TRADING & CON SER LLP	639450	5.30		
	24-11-2017 Transfer	69850	0.58	709300	5.88
23	SHREESHAHA TRADING & CON SER LLP	300	0.00	300	0.00
24	SUGHOSH TRADING & CON SER LLP	639460	5.30		
	24-11-2017 Transfer	69850	0.58	709310	5.88
25	SUHRUDA TRADING & CON SER LLP	300	0.00	300	0.00
26	SUMUKH TRADING & CON SER LLP	44970	0.37	44970	0.37
27	TRILOKATMA TRADING & CON SER LLP	890360	7.38		
	24-11-2017 Transfer	144850	1.20	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
1	SICOM LTD		557100	4.62	557100	4.62
	24-11-2017	Transfer	-557100	-4.62	0	0.00
2	KETAN BABULAL SHAH		294316	2.44	294316	2.44
3	IDBI BANK LTD.		261489	2.17	261489	2.17
4	SUNIL SHROFF		230145	1.91	230145	1.91
5	BANK OF BARODA		202500	1.68	202500	1.68
6	BJD SECURITIES PVT LTD		163210	1.35		
	07-04-2017	Transfer	57420	0.48	220630	1.83
	14-04-2017	Transfer	34095	0.28	254725	2.11
	28-04-2017	Transfer	-91515	-0.76	163210	1.35
	10-11-2017	Transfer	6669	0.06	169879	1.41
	17-11-2017	Transfer	10000	0.08	179879	1.49
	24-11-2017	Transfer	8311	0.07	188190	1.56
	01-12-2017	Transfer	-19771	-0.16	168419	1.40
	08-12-2017	Transfer	25380	0.21	193799	1.61
	15-12-2017	Transfer	-30189	-0.25	163610	1.36
	30-12-2017	Transfer	-400	0.00	163210	1.35
	12-01-2018	Transfer	1100	0.01	164310	1.36

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Sl. No.	Name of the shareholder		Shareholding at the beginning of the year		Cumulative Shareholding during the end of year	
	At the beginning of the year		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	19-01-2018	Transfer	-1100	-0.01	163210	1.35
7	BHARAT JAMNADAS DATTANI HUF		135043	1.12		
	28-04-2017	Transfer	15000	0.12	150043	1.24
8	Union Bank of India		114400	0.95	114400	0.95
9	RAJESHRI KETAN SHAH		110326	0.91	110326	0.91
10	DIPTI D. SHAH		100000	0.83		
	31-03-2018	Transfer	-100000	-0.83	0	0.00
11	BHARAT JAMNADAS DATTANI		66125	0.55		
	28-04-2017	Transfer	42420	0.35	108545	0.90
12	Moneybee Securities Pvt. Ltd.		100000	0.83	100000	0.83
13	BHARATI BHARAT DATTANI		44566	0.37		
	24-11-2017	Transfer	200	0.00	44766	0.37
	01-12-2017	Transfer	11100	0.09	55866	0.46
	15-12-2017	Transfer	40639	0.34	96505	0.80
	30-12-2017	Transfer	400	0.00	96905	0.80
	19-01-2018	Transfer	2450	0.02	99355	0.82

### (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		Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>Mr. Mahesh K. Shah</b>		<b>Chairman &amp; Managing Director</b>			
	At the beginning of the year		<b>39150</b>	<b>0.32</b>	<b>39150</b>	<b>0.32</b>
	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		<b>39150</b>	<b>0.32</b>	<b>39150</b>	<b>0.32</b>
<b>2</b>	<b>Mr. Vinod Shah</b>		<b>Whole Time Director</b>			
	At the beginning of the year		<b>41400</b>	<b>0.34</b>	<b>41400</b>	<b>0.34</b>
	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		<b>41400</b>	<b>0.34</b>	<b>41400</b>	<b>0.34</b>
<b>3</b>	<b>Mr. Jayesh Motasha</b>		<b>Director &amp; CFO</b>			
	At the beginning of the year		<b>26800</b>	<b>0.22</b>	<b>26800</b>	<b>0.22</b>
	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		<b>26800</b>	<b>0.22</b>	<b>26800</b>	<b>0.22</b>
<b>4</b>	<b>Mr. Mukesh Motasha</b>		<b>Director</b>			
	At the beginning of the year		<b>25701</b>	<b>0.21</b>	<b>25701</b>	<b>0.21</b>

## Annual Report 2017-2018

Sr. No.	For Each of the Directors and KMP	Category	Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
	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		<b>25701</b>	<b>0.21</b>	<b>25701</b>	<b>0.21</b>
<b>5</b>	<b>Mr. Arvind Motasha</b>		<b>Director</b>			
	At the beginning of the year		<b>16903</b>	<b>0.14</b>	<b>16903</b>	<b>0.14</b>
	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		<b>16903</b>	<b>0.14</b>	<b>16903</b>	<b>0.14</b>
<b>6</b>	<b>Mr. Deepak Motasha</b>		<b>Director</b>			
	At the beginning of the year		<b>26701</b>	<b>0.22</b>	<b>26701</b>	<b>0.22</b>
	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		<b>26701</b>	<b>0.22</b>	<b>26701</b>	<b>0.22</b>
<b>7</b>	<b>Ms. Kavita Bachwani</b>		<b>Director</b>			
	At the beginning of the year	<b>NIL</b>				
	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)	<b>----</b>				
	At the End of the year	<b>NIL</b>				

### V INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7767.30	9548.93	-	17316.23
ii) Interest due but not paid	17347.09	1992.71	-	19339.80
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>25114.40</b>	<b>11541.63</b>	-	<b>36656.03</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	5728.87	1179.26	-	6908.13
• Reduction	1122.51	10,280.70	-	11,403.21
Net Change	4,606.36	(9,101.44)	-	(4,495.08)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13,305.68	2440.20		15745.88
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>29,720.75</b>	<b>2440.20</b>		<b>32160.95</b>

## Annual Report 2017-2018

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr	Particulars of Remuneration	Mr.Mahesh Shah Managing Director	Mr.Vinod Shah- Whole Time Director	Ms. Kavita Bachwani - Director	Mr. Jayesh Motasha (Director and CFO)
1	Gross Salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	813250	812250	903216	--
	(b) Value of perquisites u/s. 17 (2) Income-tax Act, 1961	28800	28800	--	--
	(c) Profits in lieu of Salary under section 17 (3) Income – tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission				
	- as % of profit				
	- Others, specify	-	-		-
5	Others, please specify	-	-		-
	Total (A)	8,42,050	8,41,050	9,03,216	-
	Ceiling as per the Act	As per Schedule V of Companies Act, 2013			

#### B. Remuneration to other directors: NIL

#### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:- Mr. Jayesh Motasha (Director and CFO) - NIL

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

### 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 new product for transport and domestic application.

#### OPPORTUNITIES AND THREATS:

The Company is amongst the market leaders in PVC vinyl flooring segment. Recently, with introduction of new products and improved manufacturing processes, the performance of the Company will improve in the following years.

#### SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company engaged only in manufacture of PVC products and therefore, there are no separate segments.

#### OUTLOOK:

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

#### RISKS & CONCERNS:

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

#### 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. This has helped the company to great extent to build a culture adhered people, whose performances are awarded and where employees can realize his or her potentials. The total number of employees as on 31st March, 2018 stood at 184.

#### CAUTIONARY STATEMENT:

This management discussion and analysis may contain Forward looking statements within the meaning of the applicable laws, rules and judicial pronouncements, relating to the business strategies, prospects, financial performance etc. The actual results may vary significantly or materially than those contemplated / implied in the analysis for various reasons including but not limited to the Government policy, macro economic situation, Business cycles, Financial & liquidity situation, demand slowdown, performance risk, material costs, interest costs, exchange rates etc. The Company does not undertake to make any declarations / pronouncements of any such eventuality.



## 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  
1st April, 2017 to 31st March, 2018

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

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a Management's ability to make sound decisions vis-à-vis all its stakeholders-in particular, its Members, creditors, the state and employees.

### 2. Board of Directors

As on 31st March, 2018, the Board comprises four Executive Directors and three Non-Executive Directors. During the year 2017-2018 the Board met 5 times on the following dates, namely 30th May, 2017, 22nd August, 2017, 11th September, 2017, 14th December, 2017 and 14th February, 2018.

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 Directorships held in other Indian Public Limited Companies#	Sitting Fees	No. of Committee* Positions held in other Indian Public Limited Companies-Chairman##	No. of Committee* Positions held in other Indian Public Limited Companies-Member##	Inter-se Relationship
							As prescribed in the explanation under Regulation 26 (1) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015		
1.	Mr. Mahesh K. Shah	Executive Director Promoter	4	No	--	Nil	Nil	Nil	Brother of Mr. Vinod K. Shah
2.	Mr. Vinod K. Shah	Executive Director Promoter	5	Yes	--	Nil	Nil	Nil	Brother of Mr. Mahesh K. Shah
3.	Mr. Arvind V. Motasha	Non-Executive Director Promoter	5	Yes	--	Nil	Nil	Nil	--
4.	Mr. Deepak A. Motasha	Non-Executive Director Promoter	5	Yes	--	Nil	Nil	Nil	Brother of Mr. Jayesh and Mr. Mukesh A. Motasha
5.	Mr. Mukesh A. Motasha	Non-Executive Director Promoter	4	Yes	--	Nil	Nil	Nil	Brother of Mr. Jayesh and Mr. Deepak A. Motasha
6.	Mr. Jayesh A. Motasha	Executive Director Promoter & CFO	5	Yes	--	Nil	Nil	Nil	Brother of Mr. Deepak A. Motasha and Mr. Mukesh A. Motasha
7.	Ms. Kavita Bachwani	Executive Director	5	---	---	---	---	---	

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

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

## Annual Report 2017-2018

The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. 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.

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

#### 3. Audit Committee

The Audit Committee comprises 3 Non-Executive Directors. During the year 2017-2018, the Audit Committee held Five meetings i.e. 30th May, 2017, 22nd August, 2017, 11th September, 2017, 14th December, 2017 and 14th February, 2018. 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.	Mr. Deepak A. Motasha– Chairman	5
2.	Mr. Mukesh A. Motasha – Member	5
3.	Ms. Kavita Bachwani - Member	5

#### 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. Mukesh A. Motasha, Mr. Arvind V. Motasha and Mr. Deepak A. Motasha.

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 alongwith regulations 1992.

The composition of the Stakeholder Relationship Committee is as follows:

- a) Composition: The Committee comprises 3 Non-Executive Directors of the Company. During the year it held 4 meetings 30th June, 2017, 30th September, 2017, 30th December, 2017 and 31st March, 2018.

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

The total number of complaints received, and replied to the satisfaction of the shareholders, during the year ended 31st March, 2018 was NIL. Outstanding complaints as on 31st March, 2018 were Nil.

The Company has acted upon all valid share transfer requests received during the year 2017- 2018. No request for transfer and dematerialisation were pending as on 31st March, 2018.

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 31.03.2018	NIL
Number of Share Transfer pending for approval as at 31.03.2018	NIL

### 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consist of 3 Non-Executive Directors namely Mr. Mukesh A. Motasha, Mr. Arvind V. Motasha and Mr. Deepak A. 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 no meeting conducted.

Details of Remuneration paid for the year 2017-2018 are as under:

Sr. No	Name	Salary	Perquisites
1.	Mr. Mahesh K. Shah	8,13,250	28,800
2.	Mr. Vinod K. Shah	8,12,250	28,800
3.	Ms. Kavita Bachwani	9,03,216	-

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 Board of Directors has laid down a Code of Conduct for all Board Members and senior Management of the Company. The Board Members and senior Management personnel have affirmed their compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the CFO has been obtained. 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	2014-2015	2015-2016	2016-2017
Date	30.09.2015	30.09.2016	26.09.2017
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.

Mr. Mahesh Shah, Managing Director is Compliance Officer.

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

## Annual Report 2017-2018

AGM held on	Special Resolution passed	Summary
30/09/2015	Yes	a) Approval to enter into a contract with related party under section 188 of the Companies Act, 2013. b) Appointment of Ms. Kavita Bachwani as a Director of the Company, as she was appointed Additional Director on 30th June, 2015. c) Appointment of Mr. Jayesh A Motasha as an Executive Director and Chief Financial Officer of the Company. d) Adoption of new set of Articles of Association in substitution and in place of the existing Articles of Association of the Company.
30/09/2016	Yes	a) Approval to enter into a contract with related party under section 188 of the Companies Act, 2013. b) Re-appointment of Mr. Mahesh Shah as Managing Director. c) Re- appointment of Mr. Vinod Shah as Whole Time Director.
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.

There were no resolutions passed through Postal Ballot

### 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.

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 accept the management was unable to attract and induct Professional and Independent Directors to meet the requirements of the Listing agreement and LODR Regulations, as Company was BIFR (Sick Company). 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. The management was unable to attract and induct Professional and Independent Directors to meet the requirements of Regulation 36 (3) of the SEBI, LODR. Consequently, there were no strictures or penalties imposed either by SEBI or the Stock Exchange or any statutory body/ authority for non-compliance of any matter related to the capital markets **no penalties/strictures have been imposed against the Company by Stock Exchange or SEBI or any statutory authority during the last three years.**

### 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 behaviour. 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.

### OTHER DISCLOSURES:

## Annual Report 2017-2018

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- 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 'Mumbai Mitra' 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. Presentation made to the Analyst and the Institutional Investors after the declaration of the quarterly, half yearly and annual results are also displayed on the Company's website.

The Annual Report is circulated to all members and is also available on the Company's website.

### 10. GENERAL SHAREHOLDER INFORMATION

<b>A.</b>	<b>Annual General Meeting</b>	
	Date and Time	28th September, 2018 at 12.30 p.m.
	Venue	At Conference Room of 60 CD Shlok Government Industrial Estate, Charkop, Kandivli (West), Mumbai 400 067
<b>B.</b>	<b>Financial Calendar</b>	April 01, 2018 to March 31, 2019
	Financial Reporting for 1st Quarter ending 30th June, 2018	On or before August 14, 2018.
	Financial Reporting for 2nd Quarter ending 30th Sept, 2018	On or before November 14, 2018
	Financial Reporting for 3rd Quarter ending 31st Dec, 2018	On or before the February 14, 2019
	Audited Results for the year ending March, 2019	On or before May 30, 2019
<b>C.</b>	<b>Date of Book closure</b>	Beginning Saturday, 22nd September, 2018 to Friday 28th September, 2018 (both days inclusive)
<b>D.</b>	<b>Dividend payment date</b>	Not applicable
<b>E.</b>	<b>Listing on Stock Exchanges</b>	Bombay Stock Exchange Ltd.
<b>F.</b>	<b>Stock Code</b>	Bombay Stock Exchange Ltd., Mumbai Scrip Code: 526193 Demat ISIN No. CDSL & NSDL: INE618A01011
<b>G.</b>	<b>Market price data (High, Low Market price on Bombay Stock Exchange during each month of the financial year.</b>	

Month	Price		Total no. of Shares Traded
	High (Rs.)	Low(Rs.)	
April' 2017	6.87	4.29	81,872
May' 2017	8.49	5.61	23,222
June' 2017	8.72	8.49	5,803
July' 2017	8.66	8.66	1
August' 2017	0	0	0
September' 2017	0	0	0
October' 2017	8.66	8.17	221
November' 2017	8.00	4.80	60,193
December' 2017	4.70	4.00	36,472
January' 2018	4.96	4.10	5,600
February' 2018	4.75	4.15	1,550
March' 2018	6.93	4.56	1,02,180

**H. Address for correspondence**

a)	Registrar and Share Transfer Agent M/s. Universal Capital Securities Private Limited (Formerly Known as M/s Mondkar Computers Private Limited) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East) Mumbai 400 093. Tel No. 022- 28366620/ 28257641/28262920
b)	Company's Share Department and Compliance Officer for Investor Grievance Redressal Mr. Mahesh k Shah, Managing Director 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- 32655828 / 28603516, Fax No. 022- 28603565 Email: legalho83@gmail.com

**I. Share Transfer System**

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

**J. Distribution of shareholding as on 31st March, 2018**

Range	No. of Shareholder	%	No. of Shares	%
Upto 500	2719	83.43	493085	4.09
501 – 1000	251	7.70	200686	1.66
1001 – 2000	109	3.34	167828	1.39
2001 – 3000	35	1.07	86734	0.72
3001 – 4000	28	0.86	97530	0.81
4001 – 5000	26	0.80	121757	1.00
5001 – 10000	31	0.95	216798	1.80
10001 and above	60	1.84	10682794	88.53
<b>Total</b>	<b>3259</b>	<b>100.00</b>	<b>120,67,212</b>	<b>100.00</b>

**K. Shareholding Pattern as on 31st March, 2018**

## Annual Report 2017-2018

Category	No. of Shares	% of Shareholding
Promoters (Including Foreign Promoters)	79,77,328	66.11
Mutual Fund & UTI	5,300	0.04
Banks, Financial Institutions, etc.	6,81,319	5.65
Private Corporate Bodies	318528	2.64
NRIs	3,500	0.03
Indian Public	30,81,237	25.53
Grand Total	1,20,67,212	100.00

**L. Dematerialization of Shares and Liquidity**

7,75,669 (6.43%) of Equity Shares of Rs. 10/- each held in CDSL and 74,60,828 (61.83%) of Equity shares held in NSDL have been dematerialized as on 31st March 2018.

### 11. CFO Certification

As required under the Listing Agreement and Regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CFO's Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2018, was placed before Board of Directors.

### 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:06/06/2018

**Vinod Shah**  
Whole Time Director  
00054667

**Jayesh A. Motasha**  
Director & CFO  
00054236

### 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, 2018.

For **Royal Cushion Vinyl Products Limited**

Place : Mumbai  
Date : August 13, 2018

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

## Annual Report 2017-2018

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### CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER IN TERMS OF REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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, 2018 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, 2018.
- 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: 13th August, 2018

**Mahesh K Shah**  
Managing Director  
00054351

**Jayesh A Motasha**  
Director & CFO  
00054236

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### AUDITORS CERTIFICATE ON THE CORPORATE GOVERNANCE

To  
The Members of  
Royal Cushion Vinyl Products Limited  
Mumbai

We have examined the compliance of Corporate Governance by **ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the Company") for the year ended on 31st March, 2018 as stipulated in Chapter IV of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchange, except the Company has not appointed any independent director in the board of Directors as also in the Audit Committee.

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

PLACE : VADODARA.

DATE : 06/06 /2018

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

**(A.D.SHAH)**  
PARTNER  
MEMBERSHIP NO. 126337



### INDEPENDENT AUDITORS' REPORT

To the Members of ROYAL CUSHION VINYL PRODUCTS LIMITED.

#### 1. Report on the financial statements

We have audited the accompanying Financial Statements of **ROYAL CUSHION VINYL PRODUCTS LIMITED** ("the company") which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

#### 2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Management and Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

#### 3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

#### 4. Basis for Qualified Opinion

- a) As in the past in current year also the company has not received bank statement/ bank advise / balance certificate from the financial institutions /banks. Banks entries pertaining to banks and financial institutions and transactions are not reconciled. In absence of non reconciliation & non availability of such details of information amount payable to financial institution /Banks are not ascertained /yet to be reconciled.
- b) Under the micro, small and medium enterprises development Act, 2006 certain disclosure relating to amounts due to micro small and medium enterprises and remained unpaid principal or interest due there on, interest paid are required to be made. The company has not made such disclosure.

### 5. OPINION

In our opinion and to the best of our information and according to the explanations given to us except for the effect of the matters described on the basis for qualified opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) In the case of the Statement of Profit & Loss, of the Loss for the year including other Comprehensive Income ended on that date;
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date;

### 6. EMPHASIS OF MATTERS

We draw attention to the following matters in the notes to the financial statements:

- a) The company has suffered substantial losses and due to this its entire net worth has been fully eroded. The company has incurred a net loss during the current and previous year (s) and, the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters. Indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However since operation are continued the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note. (refer note no 38 )

### 7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in the paragraph 3 and 4 of the said Order.

### 8. As required by Section 143(3) of the Companies Act, 2013, we further report that:

- a. We have sought and except for matters described in the basis for qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. Except for the possible effects of the matters described in the basis for qualified opinion paragraph above, in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. Except for the possible effects of the matter described in the basis for qualified opinion paragraph , in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Indian accounting standards specified under section 133 of the act , rule 7 of the companies (Account) Rules ,2013 ;
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- f. On the basis of written representations received from the Directors as on 31st March'2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March'2018, from being appointed as a director in terms of section 164 (2) of the act.
- g. In our opinion and to the best of our information and according to the explanations given to us we report as under with respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014,
  - i. The Company has disclosed the impact of pending litigations which would impact its financial position in the Financial Statement.

## Annual Report 2017-2018

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ii. The Company did not have any long-term contracts including derivative contracts as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For BIPIN & CO.**  
**CHARTERED ACCOUNTANTS**  
FRN: 101509W

**AMIT D SHAH**  
M.No.: 126337  
PARTNER

Place: VADODARA

Date: 06/06 /2018

### **ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL CUSION VINYL PRODUCTS LTD, ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018.**

(Referred to in paragraph 7 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

- 1- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) Major portion of fixed assets has been physically verified during the year by the management in accordance with a program of verification, which, in our opinion provides for physical verification of all the fixed assets at reasonable interval having regards to the size of the Company and nature of its business. No material discrepancies were noticed on such physical verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land are held in the name of the Company.
- 2) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- 3) The Company has not granted any loan secured or unsecured to Companies /firms or other parties covered in the register maintained under section 189 of the Companies Act. 2013.
- 4). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year. Accordingly the provisions of clause (v) of the Companies (Auditor's Report) order 2016 are not applicable to the Company.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the product manufactured by the Company.
- 7- 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, 2018, 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	76,92,34,686

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

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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	42,43,390	AY 2005-06	Commissioner Mumbai
4	The Central Excise Act	Excise Duty	9,98,743	Various Year	Commissioner Vadodara

- 8). 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 31/03/18 to various Banks & Financial Institutions are as under as per Books of Account (subject to reconciliation in absence of bank statements)

NAME	AMOUNT Rs.
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
G.S.F.C.	11,518,041
FINQUEST FINANCIAL SOLUTION PRIVATE LIMITED	2,372,044,523

- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly paragraph 3(ix) of the order is not applicable.
- 10) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- 13) According to the information and explanation given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made preferential allotment during the year.
- 15) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered in to non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The Company is not required to be registered under section 45 –IA of the Reserve Bank of India Act 1934.

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

PLACE : VADODARA.  
DATE : 06/06/2018

**(A.D.SHAH)**  
PARTNER  
MEMBERSHIP NO. 126337

### ANNEXURE-B TO THE AUDITORS' REPORT

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Royal Cushion Vinyl Products Ltd**, as of March 31, 2018 in conjunction with our audit of the financial statements for the year ended on that date.

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

The Company's management 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 issued by the Institute of Chartered Accountants of India. 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 its 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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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. 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 internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 issued by the Institute of Chartered Accountants of India.

**For BIPIN & Co.**  
**CHARTERED ACCOUNTANTS**  
**FRN: 101509W**

**CA. A.D. Shah**  
**M.No.: 126337**  
PARTNER

Date: 06 /06 /2018

## Annual Report 2017-2018

### Balance Sheet as at 31st March,2018

Particulars	Notes	(Amount in Rs.)		
		As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property Plant and Equipment	1	19,93,77,878	18,78,93,751	18,99,30,630
(b) Capital Work-in-Progress		15,612	7,08,893	-
(c) Investment Property	1	30,64,084	31,46,430	33,03,014
(d) Financial assets				
(i) Investments	2	17,85,941	27,68,860	11,60,457
(ii) Other Financial Assets	3	1,16,90,304	1,76,90,304	11,00,15,504
<b>Total Non Current assets</b>		<b>21,59,33,819</b>	<b>21,22,08,238</b>	<b>30,44,09,605</b>
<b>(2) Current Assets</b>				
(a) Inventories	4	13,92,42,457	18,55,21,838	17,62,20,506
(b) Financial Assets				
(i) Trade Receivables	5	2,89,64,785	4,43,76,684	7,66,22,395
(ii) Cash and Cash Equivalents	6	39,56,747	20,95,750	50,91,798
(iii) Bank Balances other than Cash and Cash Equivalents	7	12,80,850	12,01,672	11,21,871
(iv) Loans	8	10,79,493	11,92,804	47,96,012
(c) Other Current Assets	9	61,39,175	95,49,222	83,00,917
<b>Total current assets</b>		<b>18,06,63,507</b>	<b>24,39,37,970</b>	<b>27,21,53,499</b>
<b>TOTAL ASSETS</b>		<b>39,65,97,326</b>	<b>45,61,46,208</b>	<b>57,65,63,104</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	10	12,06,72,120	12,06,72,120	12,06,72,120
(b) Other Equity	11	(4,62,69,20,750)	(4,48,82,38,304)	(4,45,83,28,516)
<b>TOTAL EQUITY</b>		<b>(4,50,62,48,630)</b>	<b>(4,36,75,66,184)</b>	<b>(4,33,76,56,396)</b>
<b>Liabilities</b>				
<b>(1) Non-current Liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	12	3,21,60,97,475	3,11,37,39,387	2,51,51,69,270
(b) Provisions	13	78,87,90,684	79,28,24,753	79,00,21,517
<b>Total Non-current liabilities</b>		<b>4,00,48,88,159</b>	<b>3,90,65,64,140</b>	<b>3,30,51,90,787</b>
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	14			
- Due to Micro,Small and Medium Enterprises		-	-	-
- Others		82,45,99,871	85,02,26,321	77,57,69,783
(ii) Other Financial Liabilities	15	65,000	65,000	65,000
(b) Other current liabilities	16	7,15,62,074	6,32,02,042	83,09,59,713
(c) Provisions	17	17,30,852	36,54,890	22,34,217
<b>Total current liabilities</b>		<b>89,79,57,797</b>	<b>91,71,48,253</b>	<b>1,60,90,28,713</b>
<b>Total liabilities</b>		<b>4,90,28,45,956</b>	<b>4,82,37,12,392</b>	<b>4,91,42,19,499</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,65,97,326</b>	<b>45,61,46,208</b>	<b>57,65,63,104</b>
See accompanying Notes to the Financial Statements	1 to 45			

#### As per our report of even date

For BIPIN & CO.

Chartered Accountants

Firm Reg. No. 101509W

Amit Shah

(Partner)

Membership No. 126337

Place : VADODARA

Date : 06/06/2018

For ROYAL CUSHION VINYL PRODUCTS LIMITED

Mahesh K Shah

Chairman & Managing Director

00054351

Place : MUMBAI

Date : 06/06/2018

Jayesh A Motasha

Director & CFO

00054236

## Annual Report 2017-2018

### Statement of Profit and Loss for the year ended 31st March,2018

Particulars	Note No	(Amount in Rs.)	
		for the year ended 31 March,2018	for the year ended 31 March,2017
Revenue from Operations	18	73,30,55,340	71,95,84,419
Other Income	19	8,37,54,259	11,97,79,513
<b>Total Income</b>		<b>81,68,09,599</b>	<b>83,93,63,932</b>
<b>Expenses</b>			
Cost of Materials Consumed	20	52,56,12,632	50,79,79,774
Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress	21	2,00,37,442	(53,97,866)
Excise Duty	-	1,61,89,612	5,77,73,550
Employee Benefits Expense	22	6,63,73,879	6,54,05,805
Finance Costs	23	4,25,71,536	4,54,07,605
Depreciation and Amortization Expense	1	1,37,45,627	1,32,44,610
Other Expenses	24	20,21,82,443	18,34,92,494
<b>Total Expenses</b>		<b>88,67,13,171</b>	<b>86,79,05,972</b>
Loss before exceptional items and tax		<b>(6,99,03,572)</b>	<b>(2,85,42,040)</b>
Loss before tax		(6,99,03,572)	(2,85,42,040)
Tax Expense:		-	-
<b>Loss for the period</b>		<b>(6,99,03,572)</b>	<b>(2,85,42,040)</b>
Other Comprehensive Income			
A Items that will not be reclassified to profit or loss		51,36,126	(13,67,749)
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(6,47,67,446)	(2,99,09,789)
Earnings per equity share ( for continuing operations):			
(1) Basic		(5.79)	(2.37)
(2) Diluted		(5.79)	(2.37)
See accompanying Notes to the Financial Statements	1 to 45		

As per our report of even date

For BIPIN & CO.

Chartered Accountants

Firm Reg. No. 101509W

For ROYAL CUSHION VINYL PRODUCTS LIMITED

Amit Shah

(Partner)

Membership No. 126337

Mahesh K Shah

Chairman & Managing Director

00054351

Jayesh A Motasha

Director & CFO

00054236

Place : VADODARA

Date : 06/06/2018

Place : MUMBAI

Date : 06/06/2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

(Amount in Rs.)

Balance at the Beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
120672120	0	120672120

B. Other Equity

(Amount in Rs.)

	OTHER EQUITY					Total
	Share Application money pending allotment	Reserves and Surplus				
		Capital reserves	Securities premium reserve	Investment Allowance Reserve	Retained Earnings	
Balance as at April 1,2016	7,39,15,000	6,49,080	72,32,25,231	45,34,000	5,26,06,51,826	(4,45,83,28,515 )
Loss for the year	-	-	-	-	(2,85,42,040)	(2,85,42,040)
Other comprehensive income for the year					(13,67,749)	(13,67,749)
Balance as at March 31,2017	7,39,15,000	6,49,080	72,32,25,231	45,34,000	(5,29,05,61,615)	(4,48,82,38,304)
Loss for the year	-	-	-	-	(6,99,03,572 )	(6,99,03,572 )
Other comprehensive income for the year	(7,39,15,000)	-	-	-	51,36,126	(6,87,78,874 )
Balance as at March 31,2018	-	6,49,080	72,32,25,231	45,34,000	(5,35,53,29,062 )	(4,62,69,20,750 )

\* Represents remeasurements of defined benefit plans



CASH FLOW STATEMENT

(Amount in Rs.)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit /(Loss) before Tax, extra-ordinary Items	(6,47,67,446)		(2,92,63,860)
& Prior Period Expenses/Income			
Adjustment for :			
Depreciation	1,19,30,483	1,32,44,610	
Prior Year Items (Net of Income and Expenses)	-	-3,73,528	
Finance Cost	4,25,71,536	4,54,07,605	
Remeasurements of the defined benefit plans A/c	(51,36,126)	-	
Miscellaneous Income	(5,05,773)	-	
Interest Received	(7,46,314)	(11,86,465)	
Profit on Sale of fixed assets	(24,53,252)	-	
Lease Rent	(26,69,819)	(8,31,480)	
Share of (Profit) / loss from Partnership firm	(5,47,081)	1,02,897	
Unclaimed Liabilities / Balance Written Back	(7,68,27,772)	(11,77,59,444)	
Dividend Received	(4,248)	(2,124)	(6,13,97,929)
<b>Operating profit before working capital changes</b>	<b>(9,91,55,812)</b>		<b>(9,06,61,789)</b>
Adjustment for :			
A-1 Inventories	4,62,79,381	(93,01,332)	
Trade & Other Receivables	1,54,11,899	3,22,45,711	
Loans & Advances	95,23,359	14,80,103	
Trade Payables	(2,56,26,450)	7,44,56,538	
Unclaimed Liabilities / Balance Written Back	7,68,27,772	11,77,59,444	
Other current liabilities	83,60,032	(4,98,23,589)	
Provisions	(59,58,107)	12,48,17,887	38,90,033
<b>Cash generated from operation</b>	<b>2,56,62,075</b>		<b>8,00,45,119</b>
<b>Cash after Extraordinary items</b>	<b>2,56,62,075</b>		<b>8,00,45,119</b>
<b>Net Cash from operating activities</b>	<b>2,56,62,075</b>		<b>8,00,45,119</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	(2,26,38,982)	(1,17,60,040)	
Sale of fixed assets	24,53,252	-	
Sale of investments	9,82,919	(16,08,403)	
Remeasurements of the defined benefit plans A/c	51,36,126	-	
Interest Received	7,46,314	11,86,465	
Lease Rent	26,69,819	8,31,480	
Share of loss from Partnership firm	5,47,081	(1,02,897)	
Miscellaneous Income	5,05,773	-	
Dividend Received	4,248	2,124	
<b>Net Cash Used for Investing Activities</b>	<b>(95,93,450)</b>		<b>(1,14,51,271)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Borrowing	10,23,58,088	(2,61,02,490)	
Share application money	(7,39,15,000)	-	
Interest paid	(4,25,71,536)	(4,54,07,605)	
<b>Net Cash Used from Financing Activities</b>	<b>(1,41,28,448)</b>		<b>(7,15,10,096)</b>
Net Increase in cash and cash collection ( A+B+C)	19,40,177		(29,16,247)
Cash & Cash Equivalents at the beginning of the year	32,97,422		62,13,669
Cash & Cash Equivalents at the end of the year	52,37,597		32,97,422

## Annual Report 2017-2018

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<b>Cash and Cash Equivalents shall comprise of:-</b>	
<b>Particulars</b>	<b>Amount in Rs.</b>
a. Balances with banks	38,68,948
b. Cash on hand	87,799
c. Fixed Deposit with banks (Other Bank Balances other than Cash and Cash Equivalents)	12,80,850
<b>Total</b>	<b>52,37,597</b>

**As per our report of even date**

**For BIPIN & CO.**

**Chartered Accountants**

**Firm Reg. No. 101509W**

**Amit Shah**

(Partner)

Membership No. 126337

Place : VADODARA

Date : 06/06/2018

**For ROYAL CUSHION VINYL PRODUCTS LIMITED**

**Mahesh K Shah**

Chairman & Managing Director

00054351

Place : MUMBAI

Date : 06/06/2018

**Jayesh A Motasha**

Director & CFO

00054236

## Annual Report 2017-2018

### Notes on Financial Statements for the year ended 31st March, 2018

#### 01: PROPERTY, PLANT & EQUIPMENT

(Amount in Rs.)

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Vehicle	Office Equipments	Total
<b>Cost</b>							
As at April 01, 2016	48,24,141	6,61,57,154	11,57,69,041	10,66,761	8,37,051	12,76,482	18,99,30,630
Additions	-	3,17,988	1,01,13,049	1,98,703	-	3,94,593	1,10,24,333
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>48,24,141</b>	<b>6,64,75,142</b>	<b>12,58,82,090</b>	<b>12,65,464</b>	<b>8,37,051</b>	<b>16,71,075</b>	<b>20,09,54,963</b>
Additions	-	12,26,785	2,13,88,924	89,656	-	24,50,498	2,51,55,864
Disposals	(16,370)	-	(15,40,938)	-	(3,69,740)	-	(19,27,048)
<b>As at March 31, 2018</b>	<b>48,07,771</b>	<b>6,77,01,927</b>	<b>14,57,30,077</b>	<b>13,55,120</b>	<b>4,67,311</b>	<b>41,21,573</b>	<b>22,41,83,778</b>
<b>Accumulated depreciation and impairment</b>							
As at April 01, 2016	-	-	-	-	-	-	-
Depreciation for the year	-	43,09,482	81,93,501	1,77,314	1,79,075	2,01,839	1,30,61,211
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>43,09,482</b>	<b>81,93,501</b>	<b>1,77,314</b>	<b>1,79,075</b>	<b>2,01,839</b>	<b>1,30,61,211</b>
Depreciation for the year	-	41,96,312	87,30,962	1,19,868	1,61,904	3,50,786	1,35,59,833
Impairment	-	-	-	-	-	-	-
Disposals	-	-	(14,63,891)	-	(3,51,253)	-	(18,15,144)
<b>As at March 31, 2018</b>	<b>-</b>	<b>85,05,795</b>	<b>1,54,60,572</b>	<b>2,97,182</b>	<b>(10,274)</b>	<b>5,52,625</b>	<b>2,48,05,900</b>
<b>Carrying amount</b>							
As at April 01, 2016	48,24,141	6,61,57,154	11,57,69,041	10,66,761	8,37,051	12,76,482	18,99,30,630
As at March 31, 2017	48,24,141	6,21,65,659	11,76,88,589	10,88,150	6,57,976	14,69,236	18,78,93,751
As at March 31, 2018	48,07,771	5,91,96,132	13,02,69,505	10,57,938	4,77,585	35,68,948	19,93,77,878

#### Investment in Property, plant & equipment

	Land	Building	Total
<b>Cost</b>			
As at April 01, 2016	46,558	32,56,456	33,03,014
Additions	-	26,814	26,814
Disposals	-	-	-
<b>As at March 31, 2017</b>	<b>46,558</b>	<b>32,83,270</b>	<b>33,29,828</b>
Additions	-	1,03,449	1,03,449
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>46,558</b>	<b>33,86,719</b>	<b>34,33,278</b>
<b>Accumulated depreciation and impairment</b>			
<b>As at April 01, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation for the year	-	1,83,399	1,83,399
Impairment	-	-	-
Disposals	-	-	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>1,83,399</b>	<b>1,83,399</b>
Depreciation for the year	-	1,85,795	1,85,795
Impairment	-	-	-
Disposals	-	-	-

## Annual Report 2017-2018

### Notes on Financial Statements for the year ended 31st March, 2018

As at March 31, 2018 - 3,69,193 3,69,193

#### Carrying amount

As at April 01, 2016	46,558	32,56,456	33,03,014
As at March 31, 2017	46,558	30,99,871	31,46,430
As at March 31, 2018	46,558	30,17,526	30,64,084

#### 02. INVESTMENT-NON-CURRENT

(Amount in Rs.)

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Long Term Investment (at cost)			
A Investment in Shares			
i) <u>Quoted : (Non Trade)</u>			
Equity Shares			
38,800 (PY.38,800) equity shares in Industrial Development Bank of India of `10/- each	-	50,44,000	50,44,000
Less : Allotment money payable	-	42,12,147	42,12,147
Less : Diminution in value of Investment (written off)	-	8,31,853	8,31,853
Less : Diminution in value of Investment (written off)	-	8,31,853	8,31,853
ii) <u>Unquoted : (Non Trade) in Equity</u>			
<u>Investment in Shares of Subsidiary Company :</u>			
4,50,200 Shares (PY.4,50,200) in Euro Royal Flor Limited (U.K.) of STG pound 1 (one) each fully paid up.	2,59,31,404	2,59,31,404	2,59,31,404
Less : provision for diminution in value of investment	2,59,31,404	2,59,31,404	2,59,31,404
	-	-	-
30,000 (PY 30,000) equity shares in AB Corp Ltd of `10/- each fully paid up.	24,75,000	24,75,000	24,75,000
Less : Provision for Diminution in value of Investment	24,75,000	24,75,000	24,75,000
	-	-	-
5,010 (PY 5,010) shares in Swaminarayan Co-op Bank Ltd. of `25/- each fully paid up.	1,25,250	1,25,250	1,25,250
12,500 (PY.12,500) shares in Baroda Peoples Co-op Bank Ltd of `10/- each fully paid up.	1,25,000	1,25,000	1,25,000
7,500 (PY.7,500) shares in Baroda City Co-op Bank Ltd. of `10/- each fully paid up.	75,000	75,000	75,000
1,416 (PY.1,000)shares in Saraswat Co-op Bank Ltd. of `10/- each fully paid up. (Converted into 416 shares of Saraswat co-op bank Ltd.against 1083 shares of Mandvi co-op Bank Ltd.)	20,830	20,830	10,000
1,083 (PY1,083) shares in Mandvi Co-op Bank Ltd. of `10/- each fully paid up.	-	-	10,830
B <u>Government Securities</u>			
National Saving Certificates ( Pledged with Government Authorities )	2,000	2,000	2,000
C <u>Investment by way of capital in a partnership firm</u>			
Creative Investment	14,37,861	24,20,780	8,12,377
<b>Total</b>	<b>17,85,941</b>	<b>27,68,860</b>	<b>11,60,457</b>

## Annual Report 2017-2018

### Notes on Financial Statements for the year ended 31st March, 2018

(Amount in Rs.)

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Aggregate amount of unquoted investments	2,87,54,484	2,87,54,484	2,87,54,484
Aggregate Provision for the diminution in Value of investments	2,84,06,404	2,92,38,257	2,92,38,257

2.1) 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 `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.

#### 03. OTHER FINANCIAL ASSETS-CURRENT

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Sicom Limited	-	-	9,32,00,000
Deposits	1,16,90,304	1,76,90,304	1,68,15,504
<b>Total</b>	<b>1,16,90,304</b>	<b>1,76,90,304</b>	<b>11,00,15,504</b>

#### 04. INVENTORIES

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Raw materials	1,70,82,169	3,37,48,659	3,32,36,894
Raw materials in Transits	-	11,24,075	-
Work-in-progress	5,13,75,260	8,06,01,456	7,49,62,395
Finished goods	5,90,01,431	5,60,34,061	5,62,75,256
Packing Materials	26,69,215	34,51,213	24,32,645
Consumable Stores	88,73,882	1,03,23,374	91,19,316
Fuel	2,40,500	2,39,000	1,94,000
<b>Total</b>	<b>13,92,42,457</b>	<b>18,55,21,838</b>	<b>17,62,20,506</b>

#### 05. TRADE RECEIVABLES

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Outstanding for a period exceeding six months from the date they are due for payment			
Considered good	79,92,944	1,84,90,948	5,31,10,910
Considered Doubtful	23,61,86,484	23,45,74,220	23,45,74,220
	24,41,79,428	25,30,65,168	28,76,85,130
Less : Provision for Doubtful Debts	23,61,86,484	23,45,74,220	23,45,74,220
	79,92,944	1,84,90,948	5,31,10,910
Others (Considered good)	2,09,71,841	2,58,85,736	2,35,11,485
<b>Total</b>	<b>2,89,64,785</b>	<b>4,43,76,684</b>	<b>7,66,22,395</b>

## Annual Report 2017-2018

### Notes on Financial Statements for the year ended 31st March, 2018

#### 06. CASH AND CASH EQUIVALENTS

(Amount in Rs.)

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
a. Balances with banks	38,68,948	14,81,974	46,42,256
b. Cash on hand	87,799	6,13,776	4,49,542
<b>Total</b>	<b>39,56,747</b>	<b>20,95,750</b>	<b>50,91,798</b>

Fixed deposit of `12,80,850 (P.Y. `12,01,672) was held as security deposit against Bank Guarantee.

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

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Fixed Deposit with banks	12,80,850	12,01,672	11,21,871
<b>Total</b>	<b>12,80,850</b>	<b>12,01,672</b>	<b>11,21,871</b>

#### 08. LOANS-CURRENT

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Advances for purchase of Assets	-	-	30,96,656
Advances to Employees	10,12,211	9,66,645	15,92,156
Other Advances	67,282	2,26,159	1,07,200
<b>Total</b>	<b>10,79,493</b>	<b>11,92,804</b>	<b>47,96,012</b>

#### 09. OTHER CURRENT ASSETS

(Unsecured, considered good)

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Prepaid Expenses	4,06,718	3,90,085	3,74,288
Advances to Suppliers	41,22,265	58,10,137	53,80,027
Balance with Government authorities	16,10,192	10,97,073	10,28,129
Balance with Excise Authorities	-	22,51,927	15,18,473
<b>Total</b>	<b>61,39,175</b>	<b>95,49,222</b>	<b>83,00,917</b>

#### 10. SHARE CAPITAL

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Authorised : 30,000,000 (Previous year 30,000,000) Equity Shares of `10/- each	30,00,00,000	30,00,00,000	30,00,00,000
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	12,06,72,120
<b>Total</b>	<b>12,06,72,120</b>	<b>12,06,72,120</b>	<b>12,06,72,120</b>

##### 10.1) 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.

## Annual Report 2017-2018

### Notes on Financial Statements for the year ended 31st March, 2018

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

(Amount in Rs.)

Particulars	As at Mar 31, 2018		As at Mar 31, 2017		As at April 1, 2016	
	Numbers	Rs.	Numbers	Rs.	Numbers	Rs.
Shares outstanding at the beginning of the year	1,20,67,212	12,06,72,120	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	1,20,67,212	12,06,72,120

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

Name of Shareholder	As at Mar 31, 2018		As at Mar 31, 2017		As at April 1, 2016	
	No.of Shares held	% of Holding	No.of Shares held	% of Holding	No.of Shares held	% of Holding
1. Bhaktavatsala Trading & Consultancy Services LLP	10,35,210	8.58	8,90,360	7.38	8,90,360	7.38
2. Sahishnu Trading & Consultancy Services LLP	7,09,340	5.88	6,39,490	5.30	6,39,490	5.30
3. Shreedaha Trading & Consultancy Services LLP	7,09,300	5.88	6,39,450	5.30	6,39,450	5.30
4. Sughosh Trading & Consultancy Services LLP	7,09,310	5.88	6,39,460	5.30	6,39,460	5.30
5. Trilokatma Trading & Consultancy Services LLP	10,35,210	8.58	8,90,360	7.38	8,90,360	7.38
6. Lapada (Mauritius) Limited	28,80,000	23.87	28,80,000	23.87	28,80,000	23.87

#### 11. OTHER EQUITY

Particulars	As at 31st March,2018		As at 31st March,2017		As at 1st April, 2016
<b>a. CAPITAL RESERVE</b>					
Opening Balance	6,49,080		6,49,080		6,49,080
Addition	-		-		-
Deduction	-		-		-
<b>Closing Balance</b>	<b>6,49,080</b>		<b>6,49,080</b>		<b>6,49,080</b>
<b>b. SECURITIES</b>					
<b>PREMIUM RESERVE</b>					
Opening Balance	72,32,25,231		72,32,25,231		,32,25,231
Addition	-		-		-
Deduction	-		-		-
<b>Closing Balance</b>	<b>72,32,25,231</b>		<b>72,32,25,231</b>		<b>72,32,25,231</b>
<b>c. INVESTMENT ALLOWANCE RESERVE</b>					
Opening Balance	45,34,000		45,34,000		45,34,000
Addition	-		-		-
Deduction	-		-		-
<b>Closing Balance</b>	<b>45,34,000</b>		<b>45,34,000</b>		<b>45,34,000</b>

## Annual Report 2017-2018

### Notes on Financial Statements for the year ended 31st March, 2018

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April, 2016
<b>d. Surplus/Deficit in the statement of Profit &amp; Loss</b>			
Opening Balance	(5,29,05,61,615)	(5,26,06,51,827)	(5,19,65,60,994)
Remeasurement of defined benefits plans	51,36,126	-13,67,749	- 0
Add : Loss for the year	(6,99,03,572)	(2,85,42,040)	(6,40,90,833)
<b>Closing Balance</b>	<b>(5,35,53,29,061)</b>	<b>(5,29,05,61,615)</b>	<b>(5,26,06,51,826)</b>
<b>e. Promoters</b>			
Opening Balance	7,39,15,000	7,39,15,000	7,39,15,000
Addition	-	-	-
Deduction	7,39,15,000	-	-
<b>Closing Balance</b>	<b>-</b>	<b>7,39,15,000</b>	<b>7,39,15,000</b>
<b>Total</b>	<b>(4,62,69,20,750)</b>	<b>(4,48,82,38,304)</b>	<b>(4,45,83,28,515)</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.

#### 12. BORROWING

(Amount in Rs.)

Particulars	As at 31st March,2018 Non Current	As at 31st March,2017 Non Current	As at 1st April,2016 Non Current
Secured			
From Banks :	1,56,27,919	2,52,63,68,769	
<b>Bank of India</b>			28,41,78,176
Secured by way of first charge ranking paripassu with Exim Bank, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of promoters directors of the Company	-	-	



## Annual Report 2017-2018

### Notes on Financial Statements for the year ended 31st March, 2018

Particulars	As at 31st March,2018 Non Current	As at 31st March,2017 Non Current	As at 1st April,2016 Non Current
<b>Exim Bank</b> Secured by way of first charge ranking paripassu with Bank of India, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of promoters directors of the Company	-	-	1,82,72,560
<b>Global Trust Bank</b> Secured by way of first charge ranking paripassu with Bank of India, Exim Bank Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of promoters directors of the Company	-	-	3,25,61,049
<b>IDBI</b> Secured by way of first charge ranking paripassu with Bank of India, Exim Bank and Global Trust Bank on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and further secured by personal guarantees of promoters directors of the Company.	-	-	1,25,75,45,414
<b>Saraswat Co-op Bank Ltd.</b> Secured by way of first charge ranking paripassu with Bank of India, Exim Bank, IDBI and Global Trust Bank (OBC) on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favour of bankers, by way of security for borrowing for working capital and future secured by personal guarantee of promoters directors of the Company.	-	-	17,71,38,264
<b>Swaminarayan Co-op Bank Ltd.</b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promoters directors of the Company	-	-	22,14,671
<b>Baroda Peoples Co-op Bank Ltd.</b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promoters directors of the Company	-	-	19,44,225
<b>Panchmahal Dist. Co-op Bank Ltd.</b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promoters directors of the Company	-	-	82,00,934
<b>Baroda City Co-op Bank Ltd.</b> Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promotor directors of the Company	-	-	32,68,089
<b>Mandvi Co op.Bank Ltd.</b> Secured by way of Hypothecation of Vehicles	-	-	49,095

Notes on Financial Statements for the year ended 31st March, 2018

Particulars	As at 31st March,2018 Non Current	As at 31st March,2017 Non Current	As at 1st April,2016 Non Current
<b>Loans from Financial Institutions :</b>	2,38,35,62,564	(10,81,29,193)	-
Secured by way of first charge ranking paripassu with Exim Bank, Global Trust Bank (OBC), Saraswat Co-op Bank and IDBI on specific movable & immovable properties presents & future subject to the prior charge on specified movable created/to be created in favor of bankers, by way of security for borrowing for working capital and further secured by personal guarantee of promoters directors of the Company.			
<b>G.S.F.C.</b>			1,15,18,041
Secured by way of Hypothecation of specific Plant & Machinery & personal guarantee of promoters directors of the Company			
<b>Kirloskar Inv.and Finance Ltd</b>			73,07,824
Secured by way of hypothecation of specific Plant & Machinery & personal guarantee of promoters directors of the Company			
<b>Lloyd Finance Ltd</b>			5,62,715
Secured by way of hypocation of Vehicles & personal guarantee			
<b>Loan from Others</b>	57,28,87,203	-	-
Unsecured			
<b>From Companies</b>	60,00,000	57,54,05,732	58,22,93,733
From Directors	6,40,69,162	1,18,86,452	1,03,60,609
From Others	17,39,50,627	10,82,07,627	11,77,53,871
<b>Total</b>	<b>3,21,60,97,475</b>	<b>3,11,37,39,387</b>	<b>2,51,51,69,270</b>

- 12.1 (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 31.03.2018 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 current 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 current 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 Swaminarayan Co-op Bank, Baroda Peoples Co-op Bank, Baroda City Co-op Bank, Panchmahal District Co-op Bank and Gujarat State Financial Corporation ('GSFC') as the Company has already given one-time settlement proposal to these lenders. Had the Company provided interest as per practice followed in earlier years, loss would have been higher by Rs. 5,35,57,562 (P.Y. Rs. 5,36,75,732). 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, Swaminarayan Co-op Bank, Baroda Peoples Co-op Bank, 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 final sanction letter in this regard is awaited.
- (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,

Notes on Financial Statements for the year ended 31st March, 2018

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 31.03.2018 for DB is Rs. 998.99 lacs and CFL is Rs. 1339.59 lacs.

- (d) The Company was registered as a sick company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company had submitted the revised Draft Rehabilitation Scheme ("DRS") containing proposals for revival of the Company with the erstwhile Hon'ble Board for Industrial and Financial Reconstruction ("BIFR"). The Hon'ble BIFR had circulated the revised DRS vide its order dated 11.06.2015, for consideration of the concerned parties and other related proceedings were pending before the Hon'ble BIFR at an advanced stage of final approval. The last hearing before Hon'ble BIFR was held on 22.11.2016. However, in the meantime, 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. In terms of provisions of IBC, the said proceedings will be governed by the provisions of the newly notified IBC law. The Company had filed an application for initiation of Corporate Insolvency Resolution Process 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.
- (e) The Company has filed an affidavit dated 04th Dec, 2017 in the pending winding-up proceedings, initiated by an unsecured foreign bank, before the Hon'ble Bombay High Court disputing the existence of the said dues. These dues are disputed by the Company due to various reasons as stated in the said affidavit such as: the said dues were guaranteed in the form of credit insurance coverage for which the insurance premium was paid by the Company, Machineries were defective etc., hence, the said dues were written back. While the management was assessing and evaluating the status of the said pending litigation, it came across various facts which were in existence since long but could not be brought up till date due to various reasons but finally through the said affidavit, the existence of the dues were challenged as stated above. As the said dues were not payable, it should have been written back in the books of accounts earlier only but remained to do so. Now, while doing Ind-AS impact assessment coupled with the fact that the Company had now filed the said affidavit before a court of law, the said dues are written back and directly credited to reserves as on the transition date of April 1, 2016 in terms of provisions of Para 26 of Ind AS 101. In this regards Order from Hon'ble Bombay High Court is awaited.

13. PROVISION - NON-CURRENT

(Amount in Rs.)

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Provision for Employee Benefits			
Provision for Gratuity	1,69,27,114	1,96,54,364	1,71,33,499
Provision for Leave Benefits	26,28,884	39,35,703	36,53,332
Provision for Customs duty including interest	76,92,34,686	76,92,34,686	76,92,34,686
<b>Total</b>	<b>78,87,90,684</b>	<b>79,28,24,753</b>	<b>79,00,21,517</b>

13.1) 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 ` 3,78,25,074 and reserve and surplus would have been lower to that extent during the year.

**Notes on Financial Statements for the year ended 31st March, 2018**

13.2 )BIFR's Order dated 11/06/2015 includes various reliefs from DGFT 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 Rs.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.

**14. TRADE PAYABLES**

(Amount in Rs.)

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
Sundry Creditors	82,45,99,871	85,02,26,321	77,57,69,783
<b>Total</b>	<b>82,45,99,871</b>	<b>85,02,26,321</b>	<b>77,57,69,783</b>

**15. OTHER FINANCIAL LAIBILITIES**

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
(a) Deposits	65,000	65,000	65,000
<b>Total</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>

**16. OTHER CURRENT LIABILITIES**

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
(a) Interest accrued and due on borrowing	-	-	79,56,02,007
(b) Advance from Customers	3,99,35,943	4,63,72,413	2,21,41,219
(c) Statutory Liabilities	3,16,26,131	1,53,86,767	1,16,84,926
(d) Advance for sale of Land	-	11,10,153	11,10,153
(e) Other Liabilities	-	3,32,709	4,21,408
<b>Total</b>	<b>7,15,62,074</b>	<b>6,32,02,042</b>	<b>83,09,59,713</b>

**17. PROVISIONS - CURRENT**

Particulars	As at 31st March,2018	As at 31st March,2017	As at 1st April,2016
( a ) Provision for Gratuity	9,22,887	22,55,548	12,36,044
( b ) Provision for Leave Benefits	8,07,965	10,65,466	9,98,173
( b ) Provision for Sales Return	-	3,33,876	-
<b>Total</b>	<b>17,30,852</b>	<b>36,54,890</b>	<b>22,34,217</b>

Particulars	for the year ended 31st March,2018	for the year ended 31st March,2017
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**18. REVENUE FROM OPERATION**

Sales of Products	72,99,80,756	66,91,15,859
Add: Exchange Rate Difference	3,46,128	51,739
	73,03,26,884	66,91,67,598
Other Operating Revenue		
Sale of Scrap	25,35,467	5,04,16,821
Others	1,92,989	-
	27,28,456	5,04,16,821
<b>Total :</b>	<b>73,30,55,340</b>	<b>71,95,84,419</b>

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### Notes on Financial Statements for the year ended 31st March, 2018

Particulars	for the year ended 31st March,2018	for the year ended 31st March,2017
		(Amount in Rs.)
<b>18.1) DETAILS OF TURNOVER :</b>		
PVC Floor Covering	72,99,80,756	9,09,89,968
PVC Laminated Sheet /Tiles	-	57,20,11,767
PVC Leather cloth	-	64,48,000
<b>Total :</b>	<b>72,99,80,756</b>	<b>66,94,49,735</b>

<b>19. OTHER INCOME</b>		
Interest	7,46,314	11,86,465
Dividend From Long Term Investment	4,248	2,124
Unclaimed Liabilities /Provision / Balance Written Back	7,68,27,772	11,77,59,444
Lease Rent	26,69,819	8,31,480
Profit on sale of fixed assets	24,53,252	-
Share of profit from Partnership firm	5,47,081	-
Miscellaneous Income	5,05,773	-
<b>Total :</b>	<b>8,37,54,259</b>	<b>11,97,79,513</b>

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

<b>20. COST OF MATERIAL CONSUMED</b>		
Opening Stock	3,37,48,659	3,32,36,894
Purchases	50,89,46,142	50,84,91,539
	54,26,94,801	54,17,28,433
Less: Closing Stock	1,70,82,169	3,37,48,659
<b>Total :</b>	<b>52,56,12,632</b>	<b>50,79,79,774</b>

#### 20.1) Value of Consumption of directly imported and Indigenously obtained Raw

materials & the percentage of each to the total.

RAW MATERIAL CONSUMED	Amount	%	Amount	%
Imported	10,04,05,177	19	15,33,87,863	30
Indigenous	42,52,07,455	81	35,45,91,911	70
<b>Total</b>	<b>52,56,12,632</b>	<b>100</b>	<b>50,79,79,774</b>	<b>100</b>

RAW MATERIAL CONSUMED	Amount	Amount
PVC Resin	20,45,28,763	19,66,84,475
Plasticizers	12,28,58,297	11,16,49,799
Others	19,82,25,572	19,96,45,500
<b>Total</b>	<b>52,56,12,632</b>	<b>50,79,79,774</b>

#### 21. CHANGES IN INVENTORIES OF FINISHED GOODS

Work-In-Progress		
<u>Opening Stock</u>		
Finished Goods (*Net Off Provision for Excise)	*4,98,12,677	5,62,75,256
Work-in-process	8,06,01,456	7,49,62,395
	13,04,14,133	13,12,37,651
<u>Less: Closing Stock</u>		
Finished Goods	5,90,01,431	5,60,34,061
Work-in-process	5,13,75,260	8,06,01,456

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### Notes on Financial Statements for the year ended 31st March, 2018

	11,03,76,691	13,66,35,517
<b>Total</b>	<b>2,00,37,442</b>	<b>(53,97,866)</b>
		(Amount in Rs.)
<b>21.1) Details of inventory of Finished Goods</b>		
Cushion Vinyl Flooring	-	41,608
PVC Floor Covering	5,90,01,431	61,10,299
PVC Laminated Sheet /Tiles	-	4,98,82,154
<b>Total :</b>	<b>5,90,01,431</b>	<b>5,60,34,061</b>
<b>22. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries	5,90,70,465	5,86,55,652
Contribution to Provident Fund and Other Funds	27,02,324	27,74,867
Gratuity	28,52,309	24,92,920
Staff Welfare	17,48,781	14,82,366
<b>Total</b>	<b>6,63,73,879</b>	<b>6,54,05,805</b>
<b>23. FINANCE COSTS</b>		
Interest Expenses :		
Interest on long term borrowings	3,94,06,609	3,97,62,108
Bank Charges	31,64,927	56,45,497
<b>Total :</b>	<b>4,25,71,536</b>	<b>4,54,07,605</b>
<b>24. OTHER EXPENSES</b>		
Consumption of stores and spares	1,42,13,813	1,08,71,754
Consumption of packing material	2,85,10,734	2,65,89,132
Power and fuel	9,23,57,616	8,66,80,430
Rent Fork lift	24,99,857	16,91,560
Lease Rent	39,56,589	23,26,273
Rates and taxes	1,97,810	5,53,316
Insurance	7,07,052	8,54,677
Electricity Charges	13,84,512	14,04,109
<b>Repairs and maintenance</b>		
- Plant and machinery	80,61,692	88,45,635
- Buildings	9,16,949	2,09,540
- Others	1,84,463	1,54,459
Management Fees	2,46,170	14,15,119
Design & Development	8,58,350	10,88,749
Machine Operating Charges	39,15,654	51,45,091
Services and maintenance	1,39,43,361	63,08,656
Advertising and sales promotion	4,96,315	17,16,204
Sales Commission & Discount	-	13,082
Travelling and conveyance	20,59,835	27,39,367
Telephone Expense	8,20,744	10,64,689
Vehicle Expense	43,37,096	41,57,609
Legal and professional fees	57,12,688	31,94,928
Payment to auditor		
- Audit fees	2,27,400	2,27,400
- Tax Audit fees	33,000	33,000

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### Notes on Financial Statements for the year ended 31st March, 2018

- Certification Work	19,575	61,106
Donation	25,000	-
Share of loss from Partnership firm	-	1,02,897
Freight and forwarding charges Outward	30,82,640	28,79,518
Miscellaneous expenses	1,34,13,529	1,31,64,193
<b>Total :</b>	<b>20,21,82,443</b>	<b>18,34,92,494</b>

### Note 25 - Categories of Financial Instruments

(Amount in Rs.)

	As at 31-03-2018			31 March 2017			01 April 2016		
	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost
Financial Assets									
Investments :-									
In Equity Instruments (Unquoted)	-	-	3,46,080	-	-	3,46,080	-	-	3,46,080
Investment in Partnership firms	-	-	14,37,861	-	-	24,20,780	-	-	8,12,377
Govt. Securities	-	-	2,000	-	-	2,000	-	-	2,000
Trade Receivables	-	-	2,89,64,785	-	-	4,43,76,684	-	-	7,66,22,395
Loans	-	-	10,79,493	-	-	11,92,804	-	-	47,96,012
Cash and cash equivalents	-	-	39,56,747	-	-	20,95,750	-	-	50,91,798
Bank Balances other than Cash and Cash Equivalents	-	-	12,80,850	-	-	12,01,672	-	-	11,21,871
Security Deposit	-	-	1,16,90,304	-	-	1,76,90,304	-	-	11,00,15,504
<b>Total Financial Assets</b>	-	-	<b>4,87,58,120</b>	-	-	<b>6,93,26,074</b>	-	-	<b>19,88,08,037</b>
Financial Liabilities									
Borrowings	-	-	3,21,60,97,475	-	-	3,11,37,39,387	-	-	2,51,51,69,270
Trade payables	-	-	82,45,99,871	-	-	85,02,26,321	-	-	77,57,69,783
Other Financial Liability	-	-	65,000	-	-	65,000	-	-	65,000
<b>Total Financial liabilities</b>	-	-	<b>4,04,07,62,346</b>	-	-	<b>3,96,40,30,708</b>	-	-	<b>3,29,10,04,053</b>

### Note 26 - Fair Value Hierarchy

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.

	As at 31/03/2018		
	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value on recurring basis at the end of each reporting period</b>			
Financial Assets			
Investments :-			
In Equity Instruments (Unquoted)	-	-	3,46,080
<b>As at 31/03/2017</b>			

## Notes on Financial Statements for the year ended 31st March, 2018

	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value on recurring basis at the end of each reporting period</b>			
Financial Assets			
Investments :-			
In Equity Instruments (Unquoted)	-	-	3,46,080
	<b>As at April 01, 2016</b>		
	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value on recurring basis at the end of each reporting period</b>			
Financial Assets			
Investments :-			
In Equity Instruments (Unquoted)	-	-	3,46,080

**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 department in accordance with



Notes on Financial Statements for the year ended 31st March, 2018

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 Rs.)				
<b>For the year ended 31.03.2018</b>				
<b>Particulars</b>	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>above 5yrs</b>	<b>Total</b>
Borrowings	16,62,50,889	33,87,24,421	2,71,11,22,164	3,21,60,97,475
Trade payables	75,80,08,912	5,24,52,174	1,41,38,785	82,45,99,871
Other financial liabilities	-	-	65,000	65,000
<b>Total</b>	<b>92,42,59,801</b>	<b>39,11,76,595</b>	<b>2,72,53,25,950</b>	<b>4,04,07,62,346</b>
For the year ended 31.03.2017				
<b>Contractual Maturities</b>	<b>Less than 1 Year</b>	<b>1-3 Years</b>	<b>above 3 yrs</b>	<b>Total</b>
Borrowings	1,59,36,524	26,61,97,569	2,83,16,05,294	3,11,37,39,387
Trade payables	72,13,39,538	3,62,12,052	9,26,74,731	85,02,26,321
Other financial liabilities	-	-	65,000	65,000
<b>Total</b>	<b>73,72,76,062</b>	<b>30,24,09,620</b>	<b>2,92,43,45,025</b>	<b>3,96,40,30,708</b>
For the year 01.04.2016				
<b>Contractual Maturities</b>	<b>Less than 1 Year</b>	<b>1-3 Years</b>	<b>above 3 yrs</b>	<b>Total</b>
Borrowings	24,22,19,475	3,80,65,736	2,23,48,84,058	2,51,51,69,270
Trade payables	55,45,22,314	10,40,75,775	11,71,71,694	77,57,69,783
Other financial liabilities	-	-	65,000	65,000
<b>Total</b>	<b>79,67,41,790</b>	<b>14,21,41,511</b>	<b>2,35,21,20,752</b>	<b>3,29,10,04,053</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**

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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

Defined Benefit Plans- as per actuarial valuation under Ind AS 19			
Valuation Result as at		31-Mar-17	31-Mar-18
<b>I</b>	<b>Changes in present value of obligations</b>		(all figures in Indian Rupees)
	PVO at beginning of period	1,83,69,543	2,19,09,912
	Interest cost	14,60,219	14,94,800
	Current Service Cost	9,46,017	9,35,330
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Benefits Paid	(2,33,616)	(13,53,915)
	Contributions by plan participants	-	-
	Business Combinations	-	-
	Curtailments	-	-
	Settlements	-	-
	Actuarial (Gain)/Loss on obligation	13,67,749	(51,36,126)
	PVO at end of period	2,19,09,912	1,78,50,001
<b>II</b>	<b>Interest Expenses</b>		
	Interest cost	14,60,219	14,94,800
<b>III</b>	<b>Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at the beginning	-	-
	Interest Income	-	-
<b>IV</b>	<b>Net Liability</b>		
	PVO at beginning of period	1,83,69,543	2,19,09,912
	Fair Value of the Assets at beginning report	-	-
	Net Liability	1,83,69,543	2,19,09,912
<b>V</b>	<b>Net Interest</b>		
	Interest Expenses	14,60,219	14,94,800
	Interest Income	-	-
	Net Interest	14,60,219	14,94,800
<b>VI</b>	<b>Actual return on plan assets</b>		
	Less Interest income included above	-	-
	Return on plan assets excluding interest income	-	-
<b>VII</b>	<b>Actuarial (Gain)/loss on obligation</b>		
	Due to Demographic Assumption*	-	-
	Due to Financial Assumption	16,61,784	(3,96,409)
	Due to Experience	(2,94,035)	(47,39,717)
	Total Actuarial (Gain)/Loss	13,67,749	(51,36,126)

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\*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

Accounting Disclosures Statement		Annexure A GRATUITY to	
Period of accounting		1-Apr-17	31-Mar-18
<b>VIII</b>	<b>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	2,33,616	13,53,915
	Contributions by Employee	-	-
	Benefits Paid	(2,33,616)	(13,53,915)
	Fair Value of Plan Assets at end	-	-
<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	2,19,09,912	1,78,50,001
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(2,19,09,912)	(1,78,50,001)
	Net Asset/(Liability) recognized in the balance sheet	(2,19,09,912)	(1,78,50,001)
<b>XI</b>	<b>Expense recognized in the statement of P &amp; L A/C</b>		
	Current Service Cost	9,46,017	9,35,330
	Net Interest	14,60,219	14,94,800
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Curtailment Effect	-	-
	Settlement Effect	-	-
	Expense recognized in the statement of P & L A/C	24,06,236	24,30,130
Accounting Disclosures Statement		Annexure 'A' GRATUITY to	
Period of accounting		1-Apr-17	31-Mar-18
<b>XII</b>	<b>Other Comprehensive Income (OCI)</b>		
	Actuarial (Gain)/Loss recognized for the period	13,67,749	(51,36,126)
	Asset limit effect	-	-
	Return on Plan Assets excluding net interest	-	-
	Unrecognized Actuarial (Gain)/Loss from previous period	-	-
	Total Actuarial (Gain)/Loss recognized in (OCI)	13,67,749	(51,36,126)

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<b>XIII</b>	<b>Movements in the Liability recognized in Balance Sheet</b>		
	Opening Net Liability	1,83,69,543	2,19,09,912
	Adjustment to opening balance	-	-
	Expenses as above	24,06,236	24,30,130
	Contribution paid	(2,33,616)	(13,53,915)
	Other Comprehensive Income(OCI)	13,67,749	(51,36,126)
	Closing Net Liability	2,19,09,912	1,78,50,001
<b>XIV</b>	<b>Schedule III of The Companies Act 2013</b>		
	Current Liability (*)	22,55,548	9,22,887
	Non-Current Liability	1,96,54,364	1,69,27,114
	(*) Mar 14, current liability based on Rev Schedule III		
<b>XV</b>	<b>Projected Service Cost 31st March, 2019</b>		<b>9,75,333</b>
<b>XVI</b>	<b>Asset Information</b>		
	Not applicable as the plan is unfunded		
<b>XVII</b>	<b>Assumptions as at</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Interest / Discount Rate	7.04%	
	<b>Rate of increase in compensation</b>	10.00%	
	Annual increase in healthcare costs		
	Future Changes in maximum state healthcare benefits		
	Expected average remaining service	10.74	
	Retirement Age	58 Years	
	Employee Attrition Rate	Upto Age 40: 3%	Upto Age 40: 3%
		41 to 50: 2%	41 to 50: 2%
		51 and above: 1%	51 and above: 1%

Annexure  
'A' GRATUITY  
to

<b>XVIII</b>	<b>Period of accounting</b>	<b>1-Apr-17</b>	<b>31-Mar-18</b>
	<b>Sensitivity Analysis</b>		
		<b>DR: Discount Rate</b>	
		<b>ER: Salary Escalation Rate</b>	
		PVO DR +1%	PVO DR -1%
	PVO	1,64,37,265	1,93,90,897
		1,94,47,444	1,64,58,028

<b>XIX</b>	<b>Expected Payout</b>						
	<b>Year</b>	<b>Expected Outgo First</b>	<b>Expected Outgo Second</b>	<b>Expected Outgo Third</b>	<b>Expected Outgo Fourth</b>	<b>Expected Outgo Fifth</b>	<b>Expected Outgo Six to Ten years</b>
	PVO payouts	9,22,887	6,83,794	12,72,427	14,51,048	31,31,577	1,61,94,825

<b>XX</b>	<b>Asset Liability Comparisons</b>					
	<b>Year</b>	<b>31-Mar-14</b>	<b>31-Mar-15</b>	<b>31-Mar-16</b>	<b>31-Mar-17</b>	<b>31-Mar-18</b>
	PVO at end of period	1,26,74,971	1,64,27,232	1,83,69,543	2,19,09,912	1,78,50,001
	Plan Assets	-	-	-	-	-
	Surplus/(Deficit)	(1,26,74,971)	(1,64,27,232)	(1,83,69,543)	(2,19,09,912)	(1,78,50,001)

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Experience adjustments on plan assets - - - - -

### XXI Narrations

- 1 **Analysis of Defined Benefit Obligation**  
The number of members under the scheme have decreased by 7.03%. Similarly, the total salary decreased by 12.62% during the accounting period.  
The resultant liability at the end of the period over the beginning of the period has decreased by 18.53%
- 2 **Expected rate of return basis**  
Scheme is not funded EORA is not applicable
- 3 **Description of Plan Assets and Reimbursement Conditions**  
Not Applicable

### 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:

Particulars	31-03-2018	31-03-2017	01-04-2016
Gross Debt	3,21,60,97,475	3,11,37,39,387	2,51,51,69,270
Less: -			
Cash and Cash Equivalent	39,56,747	20,95,750	50,91,798
Other Bank Balance	12,80,850	12,01,672	11,21,871
Net debt (A)	3,21,08,59,877	3,11,04,41,965	2,50,89,55,600
Total Equity (B)	-4,50,62,48,630	-4,36,75,66,184	-4,33,76,56,396
<b>Net debt to equity ratio</b>	<b>-0.71</b>	<b>-0.71</b>	<b>-0.58</b>

### 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 / TRUST	(C) KEY MANAGEMENT
a)	Euro royal Floors Ltd.	a) Natroyal Industries Pvt.Limited b) Samsons Leather cloth Manufacturing Co.LLP c) Shreedaha Trading & Consultancy Services LLP d) Shreeshaha Trading & Consultancy Services LLP e) Bhaktavatsala Trading & Consultancy Services LLP f) Trilokesh Trading & Consultancy Services LLP g) Vishwamurthy Trading & Consultancy Services LLP	a) Mahesh K Shah b) Vinod K Shah c) Arvind V Motasha d) Deepak A Motasha e) Mukesh A Motasha f) Jayesh K Motasha g) Kavita Bachwani

- h) Sumukh Trading & Consultancy Services LLP  
 i) Lokswami Trading & Consultancy Services LLP  
 j) Sahishnu Trading & Consultancy Services LLP  
 k) Sughosh Trading & Consultancy Services LLP  
 l) Trilokatma Trading & Consultancy Services LLP  
 m) M.V.Trust Properties

2 RELATED PARTY TRANSACTIONS

(Amount in Rs.)

Sr.	Nature of transaction	2017-18			2016-17		
		Subsidiary	Associates	Key Management	Subsidiary	Associates	Key Management
1	Sales of Finished Goods #	-	40,25,56,692	-	-	28,11,81,809	-
2	Purchase of Raw materials #	-	53,39,76,486	-	-	52,96,61,640	-
3	Remuneration	-	-	25,15,216	-	-	14,89,074
4	Deposit given against Rented Property	-	-	-	-	60,00,000	-
5	Loan Received	-	11,24,15,000	-	-	1,10,90,511	-
6	Repayment of Loan	-	4,31,90,529	-	-	2,75,19,780	-
7	Loan Payable	-	74,68,37,830	-	-	67,76,13,359	-
8	Trade Payable	-	52,41,05,417	-	-	50,81,76,304	-
9	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 March'2018 except `233,375,543 provided in respect of due by the Subsidiary Company in earlier year.

# Material/Goods sold to Natroyal Industries Pvt.Ltd. `402,556,692 (P.Y.`281,181,809)

# Material Purchase from Natroyal Industries Pvt.Ltd. `533,976,486 (P.Y.`529,661,640)

Note 32 - Contingent Liabilities

(Amount in Rs.)

Particulars	As at	As at	As at
	31-03-2018	31-03-2017	01-04-2016
Claims against the Company not acknowledged as debts	45,86,64,195	45,86,64,195	45,86,64,195
Liabilities disputed -appeals filed with respect to :	21,05,053	21,05,053	21,05,053
Income tax on account of disallowances / additions	42,43,390	42,43,390	-
Sales tax on account of rebate / classification	-	-	56,61,202
Excise duty on account of valuation / cenvat credit / service tax	9,98,743	9,98,743	9,98,743
Penalty Impose by FERA & disputed by Company	1,00,00,000	1,00,00,000	1,00,00,000
Others:	-	-	-

Note 33 - Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent 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 parent (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	2017-18	2016-17
a. Net Profit after Tax available for equity shareholders (₹)	(6,99,03,572)	(2,85,42,040)

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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)	(5.79)	(2.37)

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

(Amount in Rs.)

	Investment Property:	31-03-2018	31-03-2017	01-04-2016
i	Amounts recognised in profit or loss for investment properties Rental income	26,69,819	8,31,480	8,31,480
ii	Cost value	30,64,084	31,46,430	33,03,014
iii	Fair value	3,85,71,900	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 - Explanation to transition to Ind AS

Ind AS 101 - "First-time Adoption of Indian Accounting Standards" requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Company, be applied retrospectively and consistently for all financial years presented, except the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as described below. The Company has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities.

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS."

#### Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

#### Classification and measurement of financial assets

The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

#### Deemed cost of property, plant and equipment and intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all assets recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

#### Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances as at the date of transition to Ind AS. The Company has elected to apply this exemption for its investments in certain equity instruments.

#### Fair value measurement of financial assets and financial liabilities at initial recognition

The Company has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Company.

#### Determining whether an arrangement contains a lease

Appendix C of Ind AS 17 requires an entity to assess whether a contract or arrangement contain a lease. This assessment should

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be carried out at the inception of the contract or arrangement. The Company has used Ind AS 101 exemption and assessed all the arrangements based for embedded lease based on the conditions in place as at the date of transition.

### Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(Amount in Rs.)

Particulars	Footnote No.	March 31, 2017	April 01, 2016
<b>Reconciliation of Total Equity</b>			
<b>Total equity as per previous GAAP *</b>		<b>(4,89,94,78,796)</b>	<b>(4,86,98,41,408)</b>
Derecognition of liability	a	45,86,64,195	45,86,64,195
		<b>(4,44,08,14,601)</b>	<b>(4,41,11,77,213)</b>
Add/(less): Adjustments for GAAP differences			
Share Application money considered as part of Other Equity	b	7,39,15,000	7,39,15,000
Provision for Sales return	c	-3,33,876	-
Prior period expenses- effect	d	-3,32,709	-3,94,183
<b>Total equity as per Ind AS</b>		<b>(4,36,75,66,185)</b>	<b>(4,33,76,56,396)</b>

\* Equity as per previous GAAP includes share capital and reserves and surplus.

Particulars	Footnote No.	Year ended March 31, 2017
<b>Reconciliation of Total Comprehensive Income</b>		
<b>Net profit as per previous GAAP</b>		<b>(2,96,37,388)</b>
Add/(less): Adjustments for GAAP differences		
Remeasurement of defined benefit plans	e	13,67,749
Provision for Sales return	c	(3,33,876)
Prior period expenses- effect	d	61,474
<b>Net profit as per Ind AS</b>		<b>(2,85,42,041)</b>
Other Comprehensive Income		(13,67,749)
Total comprehensive income as per Ind AS		(2,99,09,790)

### Effect of Ind AS adoption on the statement of cash flow for the year ended March 31,2017

	Previous GAAP	Effect of transition to Ind AS (Refer footnote f)	Ind AS
Year ended March 31, 2017			
Reconciliation of cash flow			
Net cash flows from operating activities	8,00,45,119	-62,33,04,859	-54,32,59,739
Net cash flows from investing activities	-1,14,51,271	-13,67,749	-1,28,19,020
Net cash flows from financing activities	-7,15,10,096	62,46,72,608	55,31,62,512
Net increase / (decrease) in cash and cash equivalents	-29,16,247	0	-29,16,247



### Notes on reconciliations between previous GAAP and Ind AS

**a) Derecognition of liability**

Unsecured loans have been derecognised at the date of transition.”

**b) Share application money**

Under previous GAAP, share application money were considered separately under Balancesheet. Under Ind AS, it has been considered as part of Other Equity.”

**c) Provision for Sales return**

Under Ind AS, Company has provided for Sales return based on past experience/trend.

**d) Prior period Expense**

Under Ind AS, Company has restated prior period expense as and when it has incurred.

**e) Employee benefits**

Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.

**f) Effect of transition to Ind AS on Standalone Cash Flow Statement for the year ended March 31, 2017**

Net increase in cash and cash equivalents represents movement in cash credit facilities considered as a component of cash and cash equivalents under Ind AS which as per previous GAAP, was considered as financing activity. Other Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities and has no impact on the net cash flow for the year ended 31st March, 2017 as compared with the previous GAAP.

**Note:**

The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity, Statement of Significant Accounting Policies and the Other Explanatory Notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

**Note 36 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 31.03.2018 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%
		100.00%

b) The total Capital of the Partners is ₹21,47,016 (net)

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

**Note 37** Under the Micro, Small and Medium Enterprise Development Act, 2006 (“MSMED Act”) which came into force effective from 2nd October 2006, certain disclosures relating to amount due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amount are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any payable, would be disclosed in the year of payment of interest.

**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.

**Note No. 39 Accounting for Taxes on Income**

In view of Loss in current year as well as having substantial brought forward losses and the fact that there would not be taxable income in the near future, the Deferred Tax assets is not recognised. Deferred Tax Liability, if any would arise in the year in which the claim giving rise

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to timing difference is made. Accordingly, deferred tax asset / liability is not recognised.

**Note 40** Sundry Debtors & Creditors (Including foreign suppliers) are subject to confirmation.

**Note 41** 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 42** The amount of Excise Duty on sales is directly debited to profit and loss statement for the year, except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed in the ( Increase) / decrease in stock and the other expenses respectively. (Increase) / decrease in stock includes excise duty on finished goods (net) ` NIL ( Previous year ₹62,21,384)

	(Amount in Rs.)	
<b>Note 43 - CIF Value of Import</b>	<b>2017-18</b>	<b>2016-17</b>
	Amount in ₹	Amount in ₹
Raw Materials	8,86,11,091	15,31,41,136
Stores & Spares	35,60,696	90,09,938
	<b>9,21,71,787</b>	<b>16,21,51,074</b>

<b>Note 44 - Expenditure in foreign currency</b>	<b>2017-18</b>	<b>2016-17</b>
(on accrual basis)	Amount in ₹	Amount in ₹
Stores & Spares	32,36,123	72,09,510
Foreign Travel	8,80,968	15,14,813

**Note 45** 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

Place : VADODARA

Date : 06/06/2018

**For ROYAL CUSHION VINYL PRODUCTS LIMITED**

**Mahesh K Shah**

Chairman & Managing Director

00054351

Place : MUMBAI

Date : 06/06/2018

**Jayesh A Motasha**

Director & CFO

00054236

**ROYAL CUSHION VINYL PRODUCTS LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2018**

### 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.

For all period up to and including the year ended March 31, 2017, the Company prepared its financial statement in accordance with the accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). These financial statements of the year ended March 31, 2018 are first financial statements, the Company has prepared in accordance with Ind AS. The transition date is 01 April, 2016. Refer Note 35 for information on first time adoption of Ind AS and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### (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.

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 derecognised 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 derecognised.

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:

<b>Particulars</b>	<b>Useful Life</b>
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 amortisation 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**

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 amortisation 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 is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. 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.

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.

### f) 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.

### g) Leases

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

#### Company as a lessee-

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit or loss as finance costs, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are generally recognised as an expense in the profit or loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are also recognised as expenses in the periods in which they are incurred.

### Company as a lessor-

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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

(Amount in ₹)

Particulars	2017-18	2016-17
1) Lease payment recognised in Profit and Loss statement for the year.	3956589	2326273
2) Future MLP under the Leases in the aggregate and for each of the following periods	-	-
i) Not later than one year	3635686	360236
ii) Later than one year & not later than Five Years.	5442295	-
iii) Due after five years	-	-

### h) 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.

### i) 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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised 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 utilise 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 recognises 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 utilise 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.

### j) Employee Benefits

#### Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service the service are 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.

### k) 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.

### l) 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 amortisation recognised in accordance with the requirements for revenue recognition.

A contingent assets 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.

### m) Earnings Per Share (EPS)

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.

### n) 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.

### o) 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.

### p) 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'.

### q) 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 amortised 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
    - 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 - [•] 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 derecognised (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 recognises 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 amortised 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 derecognised 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 derecognised 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### r) 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 realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised 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.

### s) 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.

### t) Recent Accounting pronouncements

#### Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

#### Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- **Retrospective approach**

Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

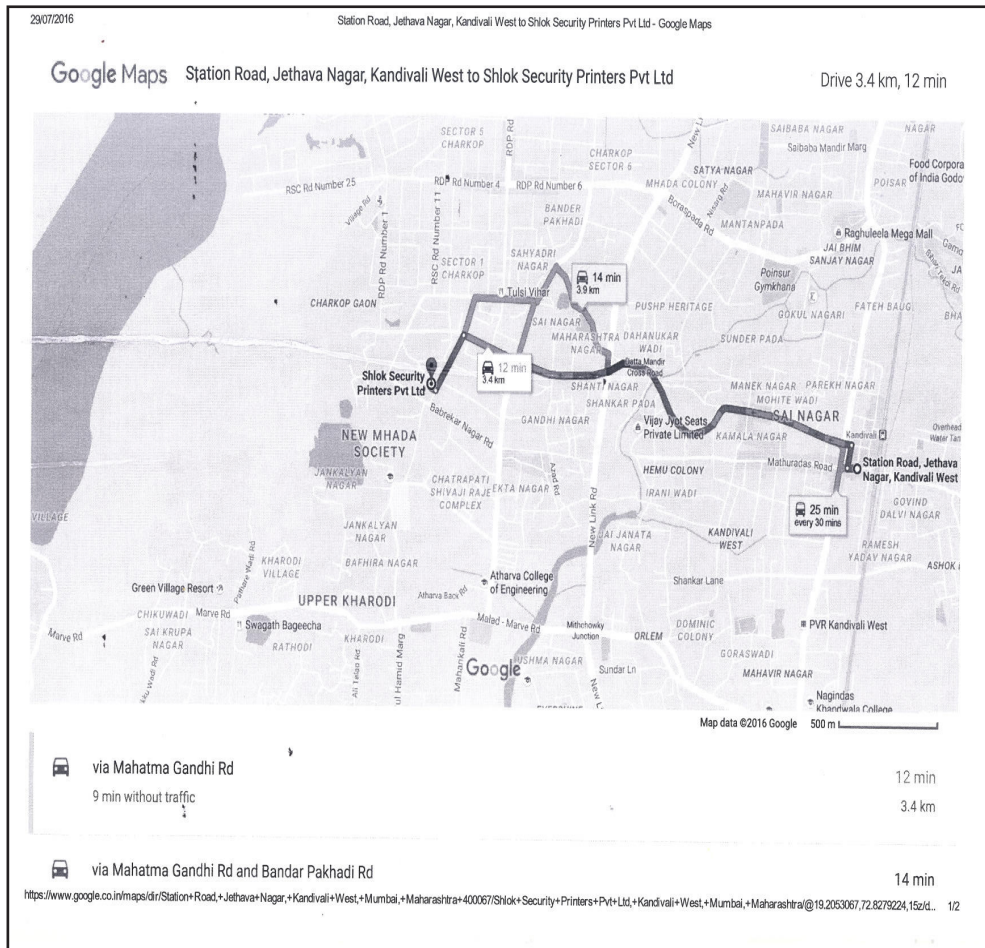
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company expects the impact of this on the financial statements to be insignificant.

**ROUTE MAP**



**ROYAL CUSHION VINYL PRODUCTS LTD**

Registered Office: 60 CD "SHLOK" Govt Ind. Estate, Charkop, Kandivali (West), Mumbai 400 067,  
Cin No: L24110MH1983PLC031395, website:www.rcvp.in

**PROXY FORM  
FORM NO. MGT-11**

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

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

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

- Name \_\_\_\_\_ Address \_\_\_\_\_  
 \_\_\_\_\_ Email \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_
- Name \_\_\_\_\_ Address \_\_\_\_\_  
 \_\_\_\_\_ Email \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_
- Name \_\_\_\_\_ Address \_\_\_\_\_  
 \_\_\_\_\_ Email \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 34th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 28th September, 2018 at 12.30 p.m. at 60 CD, Shlok, Govt. Ind. Estate, Charkop, Kandivali (West), Mumbai 400067 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of Audited Financial Statements for the year ended 31st March, 2018.
2	Reappointment of Ms. Kavita Bachwani, who retires by rotation.
3	Reappointment of Mr. Deepak Motasha, who retires by rotation.
4	Approval of the Special Resolution under section 180(1)(a)
5	Approval for availing/ already availed financial assistance from the related parties.

Signed \_\_\_\_\_ day of \_\_\_\_\_ September, 2018.

\_\_\_\_\_  
(Signature of Proxy Holder)

\_\_\_\_\_  
(Signature of Member)

**Notes:**

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

**ROYAL CUSHION VINYL PRODUCTS LIMITED**

Registered Office: 60 CD, SHLOK, Govt. Industrial Estate, Charkop, Kandivali west, Mumbai- 400 067.  
CIN: L24110MH1983PLC031395

REMINDER - 2

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 20th 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**

21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093.  
Contact Nos. (022) 28207203-05 Email: 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 to receive all future correspondence of the Company in Electronic Form and become a part of it to save a tree.

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

As per amendment made by SEBI notification dated 8th 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. 5th 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**

**FORM FOR FURNISHING PAN AND BANK DETAILS**

To,  
 Universal Capital Securities Pvt. Ltd.  
 21, Shakil Niwas,  
 Opp. Satya Saibaba Temple,  
 Mahakali Caves Road,  
 Andheri (E), Mumbai 400093.

**Unit: ROYAL CUSHION VINYL PRODUCTS LIMITED**

**Sub : Copy of PAN and Bank Account Details.**

Dear Sir/Madam,

I/We refer to your letter regarding SEBI Circular No. SEBI/ HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 on the captioned subject. I/we hereby furnish our PAN and Bank mandate details for update in your records. I/We am/are enclosing herewith:

- 1)  Self-attested copy/copies of PAN card of all the holder(s),
- 2)  Original cancelled cheque leaf bearing name of the Sole /First holder

OR

- Photo copy of bank pass book / statement having details of Account number, Name of the shareholder, IFSC Code duly attested by Bank.

Folio No.			
Contact No. (Tel No. with STD Code)		Mobile No.	
E-Mail id			

	Name	Signature
First Holder :		
Joint Holder 1 :		
Joint Holder 2 :		

Date:

Place:

NB: The above details will be updated only if the documents / information found in order / valid.

## Annual Report 2017-2018

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### ROYAL CUSHION VINYL PRODUCTS LTD

Registered Office: 60 CD "SHLOK" Govt Ind. Estate, Charkop, Kandivali (West), Mumbai 400 067,  
Cin No: L24110MH1983PLC031395, website:www.rcvp.in

#### ATTENDANCE SLIP

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

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

I hereby record my presence at the 34th Annual General Meeting of the Company being held on Friday, the 28th September, 2018 at 12.30 p.m. at 60 CD, Shlok, Government Ind. Estate, Charkop, Kandivali (West), Mumbai 400 067.

\_\_\_\_\_  
Members/Proxy's Signature

(TO BE SIGNED AT THE TIME OF HANDLING OVER THE SLIP)

#### Business Reply Inland Letter Card

Postage will  
be paid by  
addressee

To,  
ROYAL CUSHION VINYL PRODUCTS LIMITED  
CIN No:- L24110MH1983PLC031395  
60 CD, Shlok, Government Industrial Estate,  
Charkop, Kandivali (West), Mumbai – 400 067  
Tel: 022 32655828, 022 28603514 / 16

No postage  
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if posted in  
India

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Second fold

#### SENDER'S NAME AND ADDRESS

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\_\_\_\_\_  
\_\_\_\_\_  
Pin Code: \_\_\_\_\_



If undeliverd return to:  
**Royal Cushion Vinyl Products Limited**  
(CIN No. -L24110MH1983PLCO31395  
Registered Office: 60 CD, "Shlok" Govt. Ind. Estate, Charkop,  
Kandivali (West), Mumbai - 400 067 • [www.rcvp.in](http://www.rcvp.in)